



Office of the President

1720 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin 53706-1559
(608) 262-2321
(608) 262-3985 Fax
e-mail: kreilly@uwsa.edu
website: www.wisconsin.edu

February 1, 2005

Senator Carol A. Roessler
Representative Suzanne Jeskewitz
Co-chairs, Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Roessler and Representative Jeskewitz:

In its September 2004 report on University of Wisconsin System staffing, the Legislative Audit Bureau (LAB) recommended that "UW System report to the Joint Legislative Audit Committee by February 1, 2005, on its administrative staffing and service delivery costs by institution and provide specific proposals to reduce administrative expenditures and increase operating efficiencies in the 2005-07 biennium." The enclosed report is submitted in response to this recommendation. I welcome the opportunity to communicate our progress.

While this report does not include every efficiency measure we have achieved, it does provide a good representation of more than 250 efficiency measures (\$1.3 million) and 225 administrative position reductions (\$13.7 million), with annual savings of nearly \$15 million. The savings are being reallocated to instruction and other high-priority areas. The report describes an additional \$2.1 million in annual savings I believe we can achieve through specific initiatives in UW System Administration, UW Colleges, and UW-Extension, including the elimination of a vice president position and my recommendation to the Regents that we eliminate a chancellor position.

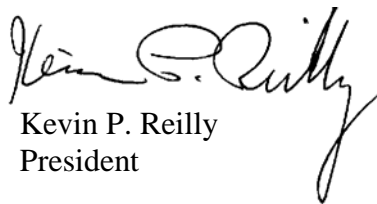
As you will observe, the UW System is continually evaluating the way it does business, reviewing all aspects of the university's operations, from reducing the length of time it takes students to earn baccalaureate degrees to improving electronic data storage. My colleagues and I are committed to finding more ways to improve efficiency and effectiveness.

The LAB recommendation focused on future operating efficiencies, and our report highlights prospective changes in several areas, including capital budget and procurement. We have the lowest institutional support expenditures among our 18 peer institutions in the United States, and we want to build on that record of efficiency.

Senator Roessler and Representative Jeskewitz
February 1, 2005
Page 2

We look forward to working in partnership with the Legislature and the Governor to achieve as many operating efficiencies as possible. Several administrative initiatives in the UW System 2005-07 budget request could yield potential savings of an additional \$21.6 million annually. As I noted in September, we are dedicated to providing access to all qualified Wisconsin students at an affordable price, to maintaining the quality of our education and services, and to assisting the state in stimulating economic development and ensuring Wisconsin's future prosperity.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin P. Reilly". The signature is fluid and cursive, with a large, sweeping flourish at the end of the name.

Kevin P. Reilly
President

Enclosure

cc: Joint Legislative Audit Committee members
Governor Jim Doyle
Senator Sheila Harsdorf
Representative Robin Kreibich
State Auditor Janice Mueller
Legislative Fiscal Bureau Director Bob Lang
Board of Regents
UW Chancellors