

**OPPORTUNITIES FOR CONSOLIDATION OF
ADMINISTRATION BETWEEN THE UW
COLLEGES AND UW-EXTENSION**

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**A Report Prepared for
UW System Administration
President Kevin Reilly**

**Prepared by
Dr. David J. Ward**

OPPORTUNITIES FOR CONSOLIDATION OF ADMINISTRATION BETWEEN THE UW COLLEGES AND UW-EXTENSION

This report is prepared at the request of UW System President Kevin Reilly. The primary charge for this report is contained in President Reilly's memo of October 20, 2004. In that memo, the President asks for "a review and report on the possibilities for consolidation of the Madison administrative offices and functions of UW Colleges and UW-Extension" and establishes the following overall goal:

The goal of this review is to identify cost savings and efficiencies that could be achieved through merging the administrative operations of the central offices of the institutions.

This review of central office operations considers all Madison-based offices and functions of each organization from "the Chancellors' position on down." In meetings with President Reilly subsequent to the October 20 memo, the scope of the review was broadened to include a review of functions of the UW System's central administrative organization that might also yield some cost savings and efficiencies by consolidation with UW Colleges and UW-Extension administrative services.

It is important to frame this report in the context of the missions and roles of the UW Colleges, UW-Extension and the UW System. The UW System is the State of Wisconsin's primary public system of higher education. In a global economy that rewards brain power, the UW System is a critical driver of economic growth.

The UW Colleges and the UW-Extension are key public gateways for Wisconsin citizens to access higher education. The UW Colleges are the starting point for the second largest number of freshmen seeking bachelor degrees from UW System campuses. UW-Extension is the primary source of cooperative education services for agriculture, manufacturing and business, and the key source of continuing education services for over a quarter of a million Wisconsin residents annually. These two institutions have been described by President Reilly as the "university's premier access institutions."

Considerations of cost savings and administrative efficiencies through consolidation or merger of the UW Colleges and UW-Extension must be consistent with maintaining and improving public access to higher education in the State of Wisconsin. The State of Wisconsin now ranks 31st in the proportion of its workforce that holds a college degree. Given the strong link in the New Economy between education level and per capita income, Wisconsin will not be able to maintain the current level public infrastructure and services and quality of life for Wisconsin citizens unless more college educated workers are added to the state's workforce. The State and the University will need to greatly improve those numbers in the future as the global economy gets more competitive or the state will face a race to the bottom in competing for low value jobs with a noncompetitive workforce.

The remainder of this report consists of three main sections. The section on “Process” describes the basic approach and methodology used to compile the report. The section on “Findings” details observations, facts, and ideas that are important to the context and reading of the report. The section on “Opportunities for Cost Savings and Efficiencies” outlines a range of options for consolidating administrative functions of the UW Colleges and UW-Extension. This section also looks at how these cost savings and consolidating some of the functions of UW System Administration may enhance efficiencies.

PROCESS

In preparing this report, background data was gathered from the UW Colleges, UW-Extension and UW System. This data came from interviews, published sources such as the Red Book, institutional websites, and institutional reports and publications.

Additional data was gathered in a series of intra-institutional meetings with faculty and staff of the UW Colleges and UW-Extension. The majority of people attending these meetings holds administrative positions within their respective institutions or serve in leadership roles in institutional governance.

Following the series of intra-institutional meetings, two inter-institutional meetings were held. These meetings included representatives of each institution and allowed a free exchange of ideas about problems and opportunities related to the possible consolidation or merger of administrative services.

Meetings were also held with the current interim chancellors of UW Colleges and UW-Extension and with the System President. I also consulted with Dr. Rolf Wegenke, President of the Wisconsin Association of Independent Colleges and Universities (WAICU).

FINDINGS

The set of meetings described above were both collegial and productive. Both institutions engaged in a serious dialogue around the issues involving the consolidation of administrative services and the possible merger of the central administrative offices to form a new institution.

It is safe to observe at the outset that neither institution is eager to engage in organizational restructuring. Both organizations feel that they are at the “top of their game.” UW Colleges has record enrollments and has the lowest cost to educate a student of any of the UW institutions. UW-Extension is enjoying success and high levels of activity and progress in cooperative extension, outreach and e-learning extension, business and manufacturing extension, and broadcasting and media innovations at UW-Extension. However, each institution recognizes the budget challenges facing the UW System; and each is willing to look at a broad range of changes that would achieve efficiencies, save administrative dollars, and preserve or enhance the delivery of educational services.

In considering administrative consolidations and mergers, it is important to note the differences and similarities of the UW Colleges and UW-Extension. Given their current missions and operations, is it feasible to consolidate services or merge the two institutions? Little good will be served in merging functions, departments, or whole institutions if the resulting merger is inefficient or dysfunctional or if such action does not result in significant cost savings and efficiencies.

In many ways the UW Colleges and UW-Extension are quite different institutions of higher education. The UW Colleges was formed to assure widespread access for students starting a college education. The Colleges specialize in delivering general education and pre-major courses in the freshman and sophomore years. The UW Colleges currently have limited degree authority and can only grant a two-year, associate degree. In order to earn a UW bachelor’s degree, a student at UW Colleges has to transfer to a degree program offered by a UW doctoral or comprehensive university. In recent years, there are agreements with other UW institutions to offer a limited selection of UW bachelor’s degree programs on the UW College campuses.

The UW Colleges’ operations most nearly parallel those of its four-year degree-granting sister institutions. At its thirteen campuses, the UW Colleges must provide the full array of student services including student recruitment and orientation, academic advising, course registration, financial aid, disability services, and a host of other services that are available on a typical college campus. Many of these services are mandated by law or are required to maintain academic accreditation.

UW-Extension by contrast is not a degree -granting institution and does not provide most of those student services listed above. UW-Extension’s mission is to deliver educational services throughout the state to specific sectors such as agriculture, business and manufacturing, and to provide lifelong learning opportunities to the citizens of Wisconsin. UW-Extension has extensive external grant funding from federal and other sources.

UW-Extension's relationships with Wisconsin business people, farmers, local government officials, school administrators and teachers, and others are hallmarks of the basic nature of UW-Extension's operations and mission. UW-Extension operates in all of Wisconsin's 72 counties. It provides a network of expert faculty and staff who work with communities on local priorities to improve the economic strength and quality of life at the local level. UW-Extension brings the university's knowledge and experience to bear on local problems and forms an information bridge between the University of Wisconsin campuses and local communities in every part of the state. UW-Extension delivers life-long learning opportunities where people live and work and has extensive public broadcasting operations including public radio and public television.

The differences between these UW Colleges and UW-Extension help to define areas where consolidation or merger may not result in cost savings and administrative efficiencies. For example, the complete institutional merger of UW Colleges and UW-Extension would provide little, if any, cost savings or efficiencies in terms of the registration, financial aid, and academic advising functions now performed by the UW Colleges. UW-Extension does not have similar administrative functions. Likewise, such a merger would have little, if any, effect on the costs of UW-Extension's public broadcasting, cooperative extension services, and small business development centers. These one-of-a-kind functions at each institution that would need to continue and would not provide any immediate and significant cost savings or efficiencies.

While there are significant differences in the missions and operating characteristics of these institutions, there are remarkable similarities. Those similarities form a strong platform that could make the merger and consolidation of administrative services and the central leadership team feasible.

The most important similarity between these two institutions is the priority and value placed on providing access to higher education to the citizens of the state. "Access" is a core value in the mission statements of both institutions. UW Colleges' primary mission is to provide access to those who may be limited by geographic location, financial condition, and prior academic preparation. UW-Extension has similar values and is very involved in reaching the state's underserved populations.

There are many other similarities between UW Colleges and UW-Extension. The following list summarizes those similarities that should be considered in any decision to merge administrative services and or institutional leadership:

- Both institutions operate at geographically dispersed locations. UW-Extension has operations in all Wisconsin counties. UW Colleges has campus locations in 13 Wisconsin counties.
- Both institutions have significantly decentralized organizational structures that are coordinated by a central administrative office.
- Both institutions have political and fiscal links to county and local governments. The counties pay for a significant portion of county-based UW-Extension staff. The

counties pay for the vast majority of physical facilities that are built on UW College campuses.

- Both institutions have strong and active institutional governance systems that involve faculty, staff, and students.
- Both institutions rely on strong partnership arrangements with the UW doctoral and comprehensive campuses. UW-Extension negotiates interinstitutional agreements with all the UW campuses (including the UW Colleges) to deliver continuing education statewide. The UW Colleges has credit transfer agreements with the UW doctoral and comprehensive campuses and a growing number of agreements in which the UW Colleges host four-year degree programs on their campuses.

In the course of my meetings with the UW Colleges and UW-Extension representatives, both institutions offered candid assessments of the positives and negatives of any institutional consolidations and/or merger. In fact, by the second round of meetings, each institution had developed a list of advantages and disadvantages primarily focused on a merger of the two institutions. The lists of advantages and disadvantages were quite similar. In general, both institutions saw the following advantages to consolidations and merger:

1. A combined unit would expand access to higher education for returning adults, students of color, disadvantaged, and place-bound students.
2. A combined unit would give the UW System greater presence statewide.
3. A combined unit would be a key driver in reaching the goal of having more bachelor degrees in the Wisconsin workforce.
4. A combined unit could strengthen the UW System's relationships with county and local government.

Each institution also saw disadvantages to consolidation and merger. These disadvantages would include the following:

1. A merger could result in the loss of brand and identity leading to public confusion about each institution's higher education services.
2. It may be difficult to find a single leader capable of leading a merged organization.
3. Combinations and/or mergers will take a huge toll in terms of time and energy and the change may not be worth the costs involved.
4. A merger may hurt existing relationships with county and local government partnerships and with others who have a high degree of ownership in each respective institution.
5. It may be difficult to reconcile the governance and cultures of the two institutions in a single entity.

Based upon the meetings held with each institution, I believe that the merger of administrative services can be successful if such a change can garner the support and ownership of the institutions involved and the leadership of the Chancellors, the President of the System, and the Board of Regents. While change for the purpose of cost savings may be a worthy goal, the energy, commitment, and buy-in needed to significantly change any

institution must be driven by a worthwhile vision and purpose. Minor changes such as the merging of some administrative services can likely be done but will produce fairly small returns given the staffing levels of the two institutions.

Larger savings, efficiencies, and better service will come from more aggressive organizational changes. In the end, a decision to significantly change the organizational structures of these two institutions must be driven by the larger mission to better serve the people of the State of Wisconsin. The state is currently not competitive in the New Economy in terms of the proportion of its workforce that holds a college degree. Any organizational change involving the UW Colleges and UW-Extension that would help solve this problem would have enormous payback to the State of Wisconsin.

Finally, cost savings and efficiencies of any merger may be further enhanced by considering how selected UW System Administration administrative functions might be consolidated as part of any UW Colleges and UW-Extension consolidation or merger. This study only begins to explore this possibility and additional study would be needed to draw any definitive conclusions. However, within the scope of this study, I did look at how UW System's IT functions might fit into a consolidation of UW Colleges and UW-Extension's IT operations. Meetings with Associate Vice President Ed Meachen and his participation in an intersectional meeting of UW Colleges and UW-Extension lead me to believe that there may be some costs savings and efficiencies in combining network operations, Help desk, and training.

OPPORTUNITIES FOR COST SAVINGS AND EFFICIENCIES

There are a number of options to consider that could produce cost savings and efficiencies through the merger and consolidation of administrative services and the central administrations of the UW Colleges and UW-Extension. These savings and efficiencies could be further enhanced by also consolidating some of the services of UW System Administration. The options listed below could result in substantial cost savings, though in some cases they may require the investment of capital funds and some additional expenditure of operating funds to get to a new business model or process that will result in meaningful long-term cost savings and efficiencies.

Merger and Consolidation Criteria

Each of the options outlined below should be evaluated with the following criteria and concerns in mind:

- Will the merger of services result in maintaining or increasing public access to higher education for Wisconsin citizens?
- Does the merger of services maintain and strengthen the missions of both UW Colleges and UW-Extension?
- Is the merger of services consistent with the overall values of the UW Colleges and UW-Extension?
- Does the merger of services result in cost savings in the long run?
- Does the merger of services improve the business processes of the UW Colleges and UW-Extension?
- Does the time, energy, emotional cost, and the additional investment or transitional spending needed to complete the merger outweigh the benefits of merger?
- Do the units in any merger share common operating systems and policies, and if not, can those systems and policies be reconciled to allow for efficient operations?
- What is the impact of merger on institutional governance including academic staff, faculty, and student governance?
- Can the merger of services provide a learning model for consolidating administrative functions at other UW institutions?

Timeframe

Any type of merger and/or consolidation will require time for planning and implementation. This is true in the private sector in mergers and acquisitions and it applies as well to the public sector. The amount of time needed to complete a merger or consolidation will be a function of many factors. For example, the time it takes for the consolidation of personnel administration (human resources) will depend on the alignment of current operating procedures (for example, the steps in getting a contract for a new hire) and the alignment of personnel policies of each organization. Creating a common hiring process that allows for issuing contracts, payroll, and providing enrollment to fringe benefit programs is not a trivial matter. Failures in this type of function can create additional costs and morale problems. In addition to the factors cited above, there must be an alignment of the personnel

processes with the governance processes to assure a smooth flow of personnel services and due process.

In some cases, there may be immediate savings from a consolidation where already existing common processes and policies can simply be rolled-up into a more efficient unit. The same may be true in instances where administrative positions are consolidated and a position is eliminated. But in most cases, cost savings and efficiencies will be achieved in a matter of years not months.

Managing Goals and Expectations on Cost Savings and Efficiencies

In the section that follows, I have outlined a number of options related to possible future organizational arrangements involving UW Colleges, UW-Extension and some units of UW System. Where possible, I have tried to give an estimate of possible savings related to the consolidation or merger options. However, as I pointed out above, the savings and efficiencies from consolidation or merger may take some time to unfold and will be determined by a number of factors and many of those factors may be outside the control of UW System.

With respect to the options outlined below, it may be best to establish a consolidation or merger business plan that includes a target for cost savings, a timetable for implementation, and an implementation task force to manage the organizational transition. Such a plan would provide a better basis for estimating long-term cost savings, needed transitional spending and investments, and long-term operating efficiencies.

Options to consider

What follows in this section is a series of options that involve merging administrative functions of the UW Colleges and UW Extension. I begin with the case for no change and then present a series of options that involve increasing amounts of consolidation and or merger.

Option 1: Keep the current organizational structure and deal with cost savings and administrative efficiencies within the context of the existing institutions.

Both institutions offered a good rationale for this option. Each institution has coped with previous budget cutbacks and has managed resources in a manner that has preserved public access to higher education. The UW Colleges point out that they continue to be the low-cost alternative for educating freshmen and sophomore students within the UW System. UW-Extension has strong relationships and partnerships with local government and is on the cutting edge of public broadcasting and e-learning. UW-Extension has also built strong connections to the business community through the Small Business Development Centers and the new statewide Entrepreneurs Network. UW-Extension leverages state support through a significant amount of outside funding sources.

Both institutions recognize that they have been the subject of previous policy discussions involving their missions and future. However, each institution believes that it has better defined its role in higher education in the state and that strong relationships with local communities will help to maintain their current organizational mission and form.

Option 2: Merge specific administrative functions of the UW Colleges and UW-Extension into a common service unit or utility serving both institutions. Each institution would retain its current central administrative core (Chancellor, Provost, Vice Chancellor for Business Affairs, Chief Information Officer) and would share administrative officers in merged functions.

Discussions with each of the institutions produced a common list of administrative functions that might be candidates for consolidation that could produce cost savings and administrative efficiencies. The degree to which the consolidation of the areas identified below will be effective, and the time that it will take to realize cost savings and efficiencies will be determined by a number of factors including the culture, policies, and operating systems of the units involved.

The following areas may be good candidates for merger into common administrative units:

- Audit
- Risk Management / Safety
- Information Technologies
- Affirmative Action
- University Relations
- Human Resources (Payroll, benefits etc)
- Business Services

Many of the units listed above are small units of one or two people or in a few cases functions that are not full-time jobs. In some cases there may be little, if any, savings from a consolidation. For example, while each institution has an audit function, each unit is quite small and the combined audit load is not likely to decrease particularly if each organization maintains the current programs and administrative structures. There may be some savings in training and backup costs and a combined unit may be more proficient by combining the existing experience and talents of current staff.

The larger and more complex operations listed above are likely to offer more potential in cost savings and efficiencies. These areas would include information technology, business services (including financial, accounting, and budgeting services), and personnel. Consolidations of these functions would produce cost savings and efficiencies but those results will take time to achieve because of the complexity of these functions and the many different operating systems and policies that would have to be merged and reconciled.

A detailed estimate of implementation time, cost savings and operating efficiencies that could be achieved by consolidating the administrative services listed above is beyond the

timeframe and budget for this study. However, I did explore the opportunities and challenges of consolidating the IT functions of the two institutions.

There are many IT applications from each institution that are unique to that institution. For example, the registration and student records applications for the UW Colleges are not duplicated in UW-Extension's IT operations. There is a fairly large block of these unique IT applications and they would limit savings from any IT consolidation. However, there are enough common applications and functions to make further exploration of this area worthwhile.

From past experience, I would say that IT is a good candidate for the most complex challenge in administrative consolidations. I also researched the experiences of the Wisconsin Association of Independent Colleges (WAICU) project to provide consolidated IT administrative services for nine of its member institutions. Based upon my meetings, administrative experience with IT, and other research, I would make the following observations:

- Don't expect immediate savings. IT (or any other service) consolidation that is done right may cost more money initially.
- To realize savings in the IT area, there will have to be some initial investment in new operating systems or system integration software.
- The time and cost to get to a new IT operating model will be at least twice the initial estimates.
- Real cost savings in IT are likely to come in a limited number of areas that include network operations, e-mail, training, system implementation, and IT support services such as the Help desk.
- Set a target for savings (e.g., \$350,000) and a timeframe for the consolidation and manage the process with an experienced implementation team that includes outside, non-IT managers.
- In any of the services areas, including IT, leadership from the top will be essential to effect change. Don't allow the technical people to dominate the implementation.
- Expect rearguard actions and before and during the consolidation period.
- The real long-term savings in IT will come from inventing a new business model that eliminates operational steps and decision layers.

In my opinion, there are some solid opportunities for consolidating some of the administrative services of UW Colleges and UW-Extension. The extent of the savings and administrative efficiencies would need to be studied further. Such a consolidation would face many challenges and, to be successful, would need the leadership of the UW System President and the Chancellors of each respective institution.

Option 3: Merge specific administrative functions of the UW Colleges, UW-Extension and UW System Administration into a common service unit or utility serving three institutions.

Each institution would retain its current central administrative core and would share administrative officers in merged functions. Use the consolidation of IT services as a pilot.

The consolidation of UW System Administration administrative services with those of the UW Colleges and UW-Extension was not explored in depth for this study. However, I did explore the opportunities for consolidating the IT services of these three institutions.

The opportunities, problems, and principles outlined in Option 2 apply to Option 3 as well. There are unique applications in each institution's IT operations and combining these applications would result in little, if any, savings. However, with three institutions involved, there are opportunities to combine operations. Networking, e-mail, and the Help desk were cited as areas where savings could be realized.

A consolidation of the IT operations of these three units should be studied in greater detail. Such a study could be done in a reasonable amount of time and should include outside, non-IT members to gain independent perspectives. A study timeframe of 2-3 months would allow consolidation to begin in the 2005-2007 biennium.

Option 4: Merge specific administrative functions (as in Option 1 or 2 above) and merge the Chancellor's office, creating a position that is the CEO of UW Colleges and the CEO of UW-Extension.

This option would create a single chancellor for both institutions and would also move forward on consolidating administrative services as indicated in Option 2. The savings in operating costs by having a single chancellor would include executive salary, fringe benefits, housing and car allowances, support staff, and office operating budget. The savings would be over \$325,000 per year.

Currently both institutions have acting chancellors and thus the opportunity to implement this option is fairly immediate. However, the time that it would take to recruit a new chancellor to lead both institutions might be 6-9 months and should the initial search fail, there would need to be a backup plan to merge the posts under an acting chancellor as a second search is undertaken.

This option has a number of drawbacks that need to be carefully considered. Finding a person with the leadership talents and willingness to manage two separate but equal institutions with different missions would be a significant challenge. Each of the UW institutions may feel compromised under this option if they consider the change as the loss of their institutional leader.

There are many other political factors large and small to consider in this option. For example, how will the local communities served by the UW Colleges and UW-Extension view the merger of the top leadership posts? And given the separate building locations for each institution (one for the Colleges and several for UW-Extension), the office location of the new chancellor becomes a significant symbolic and political issue.

Option 5: Merge specific administrative functions (as in Option 1 or 2 above) and merge the central administrative offices thus creating a new UW institution. To maximize savings and efficiencies, locate all administrative offices in one building in Madison.

Option 5 would combine the two institutions into a new UW institution, combining the missions of the Colleges and Extension, and offering the opportunity to direct the focus of the new institution on problems facing the State of Wisconsin.

This option would create a single administrative team where now two executives' staffs exist. The new institution would have a single chancellor and a provost who would be the chief academic officer of the new institution. It would further combine the IT, external/government relations, and personnel and business units of the current institutions. There would also be the opportunity to merge other administrative functions as outlined in Option 2 above.

The merger of the two institutions would result in significant cost savings by eliminating the equivalent of an entire central administrative office of a UW institution. Cost savings could then extend to the operating level of a wide range of administrative services. Initially, it is my opinion that the cost savings of consolidating the top administrative offices would result in savings in salaries, fringe benefits, support staff, and operating budgets of between \$1,000,000 and \$1,500,000.

In addition to the savings of central administrative salaries, there would be opportunities to combine service functions in areas such as IT, personnel, external relations, and business services. The extent of these savings is difficult to estimate in terms of the amount of savings and the timetable needed for an efficient consolidation of services. A more detailed study is needed to more precisely determine cost savings and the time needed to achieve administrative consolidation.

Implementation Costs and Issues

If the decision is made to implement any of these options, there will need to be an implementation plan and budget. There should be an implementation team formed to manage the consolidation or merger. That team should include some outside members who can bring independent views to the consolidation or merger process.

Attention should be paid to the consequences of consolidation and merger in terms of personnel and space. Reorganizing administrative units will cause anxiety among staff well beyond the affected units. There needs to be a plan to keep personnel informed and to assist them in seeing how the new organization may fit into their future career plans. The loss of key staff due to poor handling of consolidation or merger would be a high price to pay for any cost savings or administrative efficiencies.

Space will also be a significant issue. The central and administrative operations of the UW Colleges, UW-Extension and UW System Administration are located in four separate locations. A number of these facilities are rented, as in the case of the Regent Street building. Consolidation of services or the merger of the institutions will require that at least operating

units be located in the same building. Given the current tight space situation in Madison and the age of some of the physical facilities, space may present both a problem and an opportunity.

IMPLEMENTATION COSTS, TIMELINES, STRATEGIES AND ADVICE

Implementation costs

Each of the consolidation or merger options will have costs attached to them. These costs of implementation would include out-of-pocket costs needed to relocate offices, purchase software needed to bring one or the other of the institutions into common systems, and other temporary personnel and S&E costs.

More important than the out-of-pocket costs will be the energy and emotional cost to faculty and staff of the UW Colleges, UW-Extension, and UW System. Organizational change creates a great deal of anxiety and uncertainty that affects staff morale and productivity. These factors are sure to emerge in even the smallest plan of consolidation. These human costs are very significant and reinforce the need for leadership from the top in carrying out any plan of consolidation or merger.

Timelines

The commonly reported private sector experience with mergers and consolidations is that they take more time than projected. In complex organizations and systems, it is difficult to account for all of the factors that will influence organizational change. There are “surprise” factors (e.g., a key employee leaves the organization) that will delay implementation. There are unexpected costs that reduce anticipated savings.

Options 2-5 will require significant time to implement. In some respects, the less far-reaching options described in Option 2 and 3 could take more time to implement because of the complex policies and operating systems currently in place.

In any case, I think there should be an investment in planning time to establish the right base for any administrative consolidation. The time to fully implement any of the options should then be measured in years with a goal to have full implementation in 3-5 years.

Strategy

To get both inside and outside political support for organizational change, there must be a higher-level purpose to organizational change. In that respect I would suggest that the State of Wisconsin faces significant economic challenges because it lags behind other states in the percentage of college educated in its workforce. A variety of factors account for the current situation and certainly everybody pays lip service to solving the problem. But the fact is that the college-educated numbers for Wisconsin are getting worse not better.

This situation suggests to me a vision and purpose for extensive reorganization within the UW System. The UW Colleges and UW-Extension occupy unique roles in terms of the scope of geographic operation and access to higher education. Working cooperatively with the other UW campuses and perhaps with a cooperative, multi-institutional degree, the merged

institution formed from the UW Colleges and UW-Extension would have as a primary part of its mission the task of increasing the number of college-educated persons in the Wisconsin workforce. The UW Colleges already has an excellent, on-line, general education program for the first two years of a bachelor's degree. This core could be combined with a focused, upper division core of courses from one or more UW campuses to form a statewide, multicampus degree that would have economic scale. The primary market for this degree would be those adults in the state who have some college education and who could be degree completers in a reasonable amount of time. The current networks of UW-Extension would be valuable in reaching this audience.

Advice

In the course of my meetings and consultations with the UW Colleges and UW-Extension, I sensed a willingness to consider far-reaching change. As I said earlier in this report, neither institution is "eager to engage in organizational restructuring." However as discussions with both institutions moved along, both advised against "tinkering around the edges" and if there is change, then lets "make it a significant thing."

In my view, Option 2 is "tinkering around the edges" and will result in much effort and not of immediate results. It may serve as a model for other changes and there may be significant savings 5-7 years out, but I doubt whether the effort would be worth the cost.

Option 3 is a more aggressive approach but has many of the same limitations as Option 2. However, by expanding the scope of the consolidation and potentially reducing the overall size of UW System, there may be long-term benefits worth the costs involved.

Option 4 is aggressive and signals likely future organizational changes. This option is doable in a fairly short timeframe given the acting status of the chancellors of the UW Colleges and UW-Extension. I do think that it will be difficult to maintain essentially separate institutions with a common leader.

Option 5 is by far the most aggressive option. It would create a new UW institution and would be the first significant organizational change in the UW System since merger. The payback from this change and the efficiencies in administrative costs and program delivery are very significant. However, I think that Option 5 will only work if the new institution has an expanded mission with statewide significance.