



**Office of the President**

1720 Van Hise Hall  
1220 Linden Drive  
Madison, Wisconsin 53706-1559  
(608) 262-2321  
(608) 262-3985 Fax

email: [kreilly@uwsa.edu](mailto:kreilly@uwsa.edu)  
website: <http://www.uwsa.edu>

March 10, 2005

Senator Sheila Harsdorf  
131 South, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882

Representative Robin Kreibich  
107 West, State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952

Dear Senator Harsdorf and Representative Kreibich:

Thank you for bringing together the state Legislature's two higher education committees last week to continue the dialogue begun last spring on topics of importance to the future of Wisconsin's public higher education system, and the state's economic growth.

I appreciated the opportunity to appear with WTCS President Dan Clancy to share the significant progress being made in the area of credit transfer, and to listen to the presentation by Larry Isaak, President of the Midwest Higher Education Compact (MHEC), on ways to better serve the citizens of Wisconsin. Last fall, Mr. Isaak spoke with the UW System Provosts, who have since been pursuing ways in which UW System institutions can participate in the exchange programs offered through membership in MHEC. At a time when conservation of resources is of concern to all states, reciprocal arrangements provide a tool for use in both institutional and state-level planning. We are counting on your help in championing statutory changes that will allow us to achieve other cost saving, such as purchasing insurance and education supplies through MHEC.

My presentation, and that of Rep. Kreibich, on restructuring help to frame key issues for the public about how best to achieve access to higher education for more Wisconsin citizens, especially working adults, and those of modest means or less academic preparation. We share the goal of closing the gap in the next 10 years between the number of baccalaureate degree holders in Wisconsin and the national average. This will improve career opportunities and individual incomes of our citizens, while helping to fill the predicted shortage of skilled labor.

With these goals in mind, we are open to all ideas for restructuring the University system to make it more responsive, cost efficient, and effective. In listening to the proposal to make the two-year colleges satellites of four-year campuses, there are three overarching questions that come to mind:

1. Would such a merger serve the students and their communities better?
2. Would such a merger save money?
3. Would such a merger increase the number of state residents with a four-year degree?

Since we did not have time at the hearing to talk much about these questions and address the complex related issues we would have to consider to answer them, permit me to do some of that below.

#### **1. Would the satellite structure serve students and their communities better?**

The second largest contingent of freshman students in the UW System choose the two-year UW Colleges for a number of important reasons:

- a local alternative opportunity to start on a bachelor's degree, which can lead to further career opportunities;
- smaller classes;
- flexible admission policies;
- guaranteed transfer with a 2.0 GPA (2.6 for UW-Madison) to any UW four-year institution;
- geographical proximity to save housing costs and keep local jobs;
- lower tuition; and
- personalized services and hours for non-traditional students.

We need to ask ourselves if a merger would continue these advantages. Would tuition and segregated fees of UW Colleges students be raised to the level of four-year institutions? Would the admissions standards of the four-year institutions be applied to the two-year satellites? Would students attending a two-year satellite be limited to the four year degrees offered by the parent institution? How would student needs for academic advising, financial aid, career counseling, and out-of-classroom learning (student activities) be met?

The UW Colleges provide an important access point to higher education for first-generation college students, adults, students from lower-income households, and students of color. If tuition and admission standards were to go up while local student services were decreasing, how could we maintain, or increase, access to public higher education?

## **2. Would the satellite approach save money?**

Many people do not understand that the 13 freshman-sophomore UW Colleges already operate as a single institution, with a single Chancellor's office that avoids duplication of many administrative functions.

Achieving greater administrative efficiency, while protecting student services, has been one of my top priorities. In that spirit I proposed consolidation of the Madison based UW-Extension and UW Colleges administrative functions, cutting the number of chancellors from 15 to 14, while preserving the essential access missions of these two institutions. Although it is suggested that savings would be achieved by eliminating two-year campus deans, and financial aid, admissions, communications, facilities management, and fundraising functions at the two-year campuses, many of these functions, such as budgeting, marketing, and processing and disbursement of financial aid, are already consolidated in Madison. Those functions that are not in Madison remain at the campuses to serve a special access mission for many first-generation college students. Other questions that would need to be answered relative to cost savings include:

- Would the counties continue to provide subsidies for capital building projects and facility maintenance after a merger with a four-year campus? Why would the counties want to pay if their students and citizens are not getting the same level of service?
- If counties withdraw their subsidies for building projects and maintenance on the two-year campuses and they become satellites of a four-year institution in another county, would local fundraising support be lost?
- Would the state have to assume \$55 million of existing local debt service and future building and maintenance costs at a time when the state is trying to limit debt?
- Would merger require an additional \$4.6 million in salary and fringe benefit adjustments, if faculty of the two-year campuses were merged with, and paid at the same rate as, the faculty of the nearest four-year institution? This \$4.6 million figure would be higher if instructional academic staff salaries also had to be adjusted upward.
- What are the costs of realigning the operating systems of the UW Colleges with the four-year campus partners for finances, personnel, libraries, computer systems, etc.?
- Would there be additional costs for retooling UW Colleges faculty and instructional academic staff to adapt a variety of four-year curricula on the two-year campuses?

**3. Would the satellite approach increase the number of Wisconsin residents with four-year degrees?** This question, too, raises additional questions:

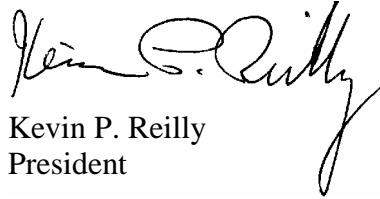
- Would the creation of 13 satellite campuses accelerate the offering of four-year degree programs at these two-year institutions? For those who are technologically adept and self-motivated, the two-year associate degree can be taken online today as the first step toward a baccalaureate. Each and every UW Colleges campus is involved in collaborative bachelor's degrees with four-year institutions. There are over 70 such collaborative degree programs on two-year campuses right now. This trend will continue as resources and market needs dictate. It is important to note that we do not have to make satellites of the two-year campuses to accelerate this trend.
- With no increase in administrative staff at the four-year institutions to integrate into their systems 13,000 (headcount) more students currently enrolled in the UW Colleges, would graduation rates be maintained? The UW Colleges provide the right place to start a four-year degree for about the same number of students who attend a four-year institution the size of UW-Eau Claire and UW-Superior combined each year. UW System budget cuts of \$100 million from the last biennium already have reduced student and academic support services at four-year institutions to below optimal levels to preserve and improve graduation rates.
- After two years at UW Colleges, students go on to graduate with bachelor's degrees at higher rates than transfer students from other UW schools, technical colleges, or private schools. Would it be reasonable to assume that UW Colleges students would be as successful without local support services located on their campus?

Finally, I think it is extremely important that we keep our "eyes on the prize." The prize in this case is increasing the number of Wisconsin residents with baccalaureate degrees. The Board of Regents, in its recent *Charting a New Course for the UW System* study, offered several additional recommendations in this regard, including two that the Governor included in his budget, and that we hope you will support. The first is the UW-Platteville/UW-Rock County engineering degree collaboration (\$582,000), which will enable students who attend the two-year campus to earn a UW-Platteville degree without having to relocate. In addition, as you heard at the hearing, WTCS President Dan Clancy and I are beginning to implement the Committee on Baccalaureate Expansion (COBE) recommendations, assuming that we are able to keep the \$1.1 million the Governor has included in his budget for these efforts.

Senator Harsdorf and Representative Kreibich  
March 10, 2005  
Page Five

Thank you again for the opportunity to meet with your two committees and to share my ideas on how we can operate more effectively and efficiently as we restructure. I hope we will continue this constructive dialogue. I remain confident that, working together, we will meet our common goals.

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.

Kevin P. Reilly  
President

cc: Members, Assembly Colleges and Universities Committee  
Members, Senate Higher Education and Tourism Committee  
UW System Board of Regents  
WTCS President Clancy  
UW System Chancellors  
UW System Cabinet