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Madison, Wisconsin 53706

**Testimony to the Joint Committee on Finance**  
**Dr. James Schmidt**  
**Chancellor, UW-Eau Claire**

Good morning and thank you for the opportunity to speak with you about the proposed budget challenges and opportunities for UW-Eau Claire.

While I am fairly new to Wisconsin—I began my tenure as UW-Eau Claire Chancellor on July 1, 2013—my entire career was spent in Minnesota higher education. I have held leadership roles at technical colleges and community colleges and spent 14 years at Winona State University. During that time, I have been involved in university *restructuring, consolidation and redesign processes - designed* to provide more autonomy for state institutions—much like what the Governor’s budget proposes for Wisconsin.

I want you to know that I am not *afraid* of change. I believe that it is *our responsibility* as educators to assure our students and the *people of Wisconsin* that their *investment* in public higher education is a *worthy one*. I take seriously my responsibility to provide our students with an education that *prepares* them to be leaders, productive citizens and responsible individuals. And to do so *effectively, efficiently, and accountably*.

We are doing that at UW-Eau Claire. I’m *proud* of our top-10 in the Midwest ranking by U.S. News and World Report—a ranking we’ve held for 20 years—but I’m *even* prouder of our citations by the Princeton Review and others – for providing a *high-quality* education at an affordable price.

We are the *lowest* among *all Wisconsin public and private* schools in student debt.

U.S. News recently named us one of the most efficient universities in the Midwest.

As we discuss the proposed budget, I suggest we begin with something we all can agree upon. Every tax and tuition dollar is *precious*. Every dollar spent at UW-Eau Claire should support our *core mission* – to provide an outstanding educational experience for our students.

That is not to say we should maintain the status quo. To the contrary, we must think and act *differently*. Especially in the face of the largest proposed state budget reduction in our history.

The Legislative Fiscal Bureau estimates UW-Eau Claire's share of the \$300 million proposed reduction will be \$7.6 million. That represents a 23.1 percent *reduction* in our state funding. Combined with a \$4.5 million reduction we are already managing, the total reduction to our general fund budget is 12.1 million dollars.

Our Provost, Patricia Kleine, uses a metaphor I've borrowed: we need to empty our university basket of all its contents and decide what we will put back in, not just *rearrange* the contents.

We're doing exactly that at UW-Eau Claire. We are *accelerating* the change efforts I began when I arrived. We are *engaging* the entire campus to reimagine, redesign and rebuild a university that is *even more* responsive and effective.

Re-arranging items in the basket won't do. Because 90 percent of our general operations fund budget goes to employee salaries and benefits, positions will be eliminated. This reality means we must fundamentally change the way we *operate* as a university.

Let me tell you what we are doing at UW-Eau Claire.

I have asked every division on campus, regardless of funding sources, to examine their budgets and identify potential cuts of 10, 15 and 20 percent. It is not my intent to make *across-the-board* cuts – that’s not leadership. It is my intent to identify *potential change* in order to be strategic about what we prune and what we grow.

I have also formed four rapid action task forces to make recommendations on initiatives that go to the *heart of our effectiveness* as a university. Two groups are working with faculty to rethink our curriculum so that we can strengthen its attractiveness to students while increasing our ability to graduate students in *four years*. They are looking at our academic workload so that we can better balance the teaching, scholarship, advising and service expectations of our faculty.

And two groups are looking at our administrative efficiency: how we can consolidate our services to students by providing a one-stop service experience for their needs, while also streamlining and centralizing our administrative functions.

All these efforts will culminate in reports to me by March 16. (That’s just 2 weeks from now) The speed is intentional. If we are to *meet the challenge* of the proposed budget reductions by July 1, we must have a *plan* to move *strategically* and with *urgency*.

In addition, I am leading an effort with my *colleagues* in Western Wisconsin to also *explore ways* to realize savings and efficiencies through regional collaborations – sharing human resources functions with UW-Superior and exploring IT and business collaborations with River Falls, Stout, Stevens Point and Superior.

And we must have the *flexibility* to do this.

Here is a list of reports to UW System or the State that we – either campus or System personnel – are required to submit on a triennial, biennial, annual, semi-annual, quarterly or “ongoing” basis.

There are 85, *give or take a few*. 85.

Many of these are from the System, Ray.....

I have told President Cross, *respectfully*, that I will provide him with a list of System-mandated requirements that we intend to stop doing at Eau Claire because they take valuable time and resources *away from our core mission*.

I also want to do the same when it comes to many of the state requirements that stand in our way, but I need the authority to make those kinds of decisions.

That is why it is so important that the legislature grant public authority status to the UW System.

I support the public authority model because it would provide us with the *flexibilities* we need to realize savings and *reduce bureaucracy*.

I also support the public authority model because I have experience with the kinds of changes possible under such a model. In the mid-1990s, I was involved in passage of the Minnesota Higher Education Mandates Reduction Act. Many of the ideas being proposed under the public authority model here are ones Minnesota adopted *two decades ago*. I can tell you those reforms *resulted* in positive changes on campuses. Public authority is not about *transferring* existing practices and procedures from the State to some new System authority. It is about *unleashing* the potential of our colleges and universities to make the innovative changes we need to better serve our students and our regions.

I want to share with you today the same message I have given to the legislators who represent our region of Wisconsin. The \$300 million proposed cut to the UW System is too much, too fast.

While I firmly believe that the UW System is worthy of the \$95 million requested this session, I am a realist – I've been around long enough to know that in this current environment, budget reductions will be necessary and we must do our share.

But we need time to thoughtfully and methodically implement change. If we move too *quickly*, and misstep, we can *jeopardize* the student *educational experience* and our ability to *implement* future changes. Yes, let's *empty the basket*. But let's not *throw* the basket away. Let's not risk the long-term health of a nationally renowned university system for a short-term biennial budget fix.

In conclusion, I am committed to serving Wisconsin students by *improving* the effectiveness of the University I lead. I ask you to help me do this:

- by Establishing a responsible budget that provides us with the time to *make the right choices*;
- by Approving a dedicated and stable funding stream for the UW System that enables *long-term planning*; and
- by Approving the UW System Public Authority so we can make the changes we agree Wisconsin needs.

Thank you for your time and attention.