At our August meeting, I shared with you my preliminary thoughts on a new UW System vision. First and foremost, this new vision is about creating a UW System that is more responsive to the needs of the state. It’s about leveraging the System’s resources, talent, and ideas to maximize our assets while maintaining our standards of excellence.

Over the last six months, we have been taking a close look at how the UW System and our institutions do business. As you know, a high priority has been to address the critical issue of program revenue fund balances. We took action. We implemented new management standards and tools, and increased the transparency of our process and our planning.

Those efforts have been noticed by both internal and external stakeholders, including our partners in the legislature. Legislators, including members of the Joint Finance Committee, have told us that they now feel very comfortable with how we have handled that issue and how we addressed concerns raised by the legislature and by the public.

Looking ahead, as we ask the Governor and the legislature to increase the state’s investment in the UW System, we need to continue to demonstrate our commitment to transparency and fiscally responsible management practices.

As part of our efforts to better align the resources of the UW System with the needs of the state, I have appointed a UW System Strategic Planning Steering Committee that includes Regent Vice President Regina Millner, chancellors, provosts, vice chancellors, and UW System staff. The purpose of this committee is to establish a framework that will guide the planning process. I have asked Jessica Tormey, chief of staff, to lead these efforts for the UW System.

The Steering Committee just had its second meeting last week and we are devising methods for collecting input, creating a timeline, and identifying areas of focus to help guide this important undertaking.
In this effort, we are partnering with UW-Madison’s Office of Quality Improvement, which will serve as a consultant. The Office of Quality Improvement has previously collaborated with multiple UW institutions to bring a thoughtful, critical, and outside perspective to strategic planning and process improvements, and I look forward to working with them.

One area of strong agreement among committee members is that listening sessions will be held across the state to address major areas of interest. These listening sessions will include a broad spectrum of stakeholders, from internal groups such as faculty, staff, and students, to external groups including business leaders, community leaders, and the public in general. The sessions are expected to start in February and should be completed by mid-April.

This outreach is an effort that will need the support and counsel of the Board. It is my hope that Regents will attend some of these listening sessions, along with participants from the business community, the community at large, and the UW.

Our strategic planning process is just beginning, and it’s expected to continue over the next year.

However, we don’t need to wait for a strategic plan to examine our internal operations and how we do business. That needs to be under constant scrutiny.

At this time, I am focusing on three main areas where I believe we can find savings without jeopardizing our mission. They include: reforming business practices, refocusing academic priorities, and redesigning the approval process for facility requests and segregated fees.

**First, let me talk about reforming and re-engineering business practices.**

We have already started conducting a thorough analysis of all “back-office” operations system-wide. By “back-office,” I’m referring to non-instructional, typically administrative operations such as human resources, payroll, purchasing, IT, facilities management – actually, any function within the organization.

- The Huron Consulting Group has already worked with several of our campuses, and identified savings. We believe that taking a system-wide look at operations has the potential for even greater efficiencies and savings – while also improving the quality and effectiveness of what we do. As we’ve discussed before, these services could possibly be consolidated, regionalized, or even eliminated to achieve savings.

- Reorganizing the back office is one way we can potentially maximize existing resources on each campus and allow those resources to be redirected to the classroom. I have
directed Senior Vice President David Miller to initiate this effort, and he has already begun.

We also intend to establish an “independent hotline” to report waste, fraud and abuse.

• These types of hotlines are common in state agencies and at other higher education institutions. We believe a UW System hotline will send a strong message to the legislature and the public that we take concerns about waste, fraud and abuse seriously. I have asked Lori Stortz, our chief audit executive, to work with the Board of Regents’ Audit Committee to get this under way and operational as soon as possible.

We must also reform the search process for presidential, chancellor, and vice presidential positions.

• The current executive search process, in many ways, has worked very well. However, it also can be limiting or restrictive. National search firms have repeatedly told us that highly qualified candidates are declining to participate because of our process. President Falbo and I agree on this, and we think some common sense reforms are both warranted and overdue. A full review of our executive search process is being undertaken.

Second, we will be refocusing and realigning academic priorities.
At this time, we are focusing our attention on four specific areas. In partnership with faculty, we intend to:

• Develop uniform workload guidelines for the non-instructional activities of faculty members. This is important to help us more clearly explain the broad and diverse range of faculty responsibilities. Faculty do so much more than simply what happens in the classroom;

• We intend to establish processes and policies to manage programs, courses, and sections with low enrollments. I realize most of these are entirely appropriate, but they need to be scrutinized;

• We also intend to establish processes and policies to better manage the proliferation of elective courses so that priority is given students having access to the necessary core courses;
• And we must monitor, manage, and drive down the number of required credits to graduate, so that students have a better opportunity to finish in four years.

• I have already asked David Ward, interim senior vice president for academic and student affairs, to lead this effort to improve our efficiency and help reduce costs for students.

• Provosts and the UW System administration are already engaged in this process. Our goal is to strengthen academic programming and to better explain to legislators and the public all the good work done by our faculty and staff. We recognize, however, that these changes are likely to raise questions. Let me be clear that faculty on each campus will be fully engaged in this process. By demonstrating that we are managing our existing resources responsibly, we believe we will be in a better position to make a compelling case for increased resources and flexibilities from the state.

**My third major area of focus will be redesigning the development and approval processes for facility requests and for segregated fees.**

• Regarding facilities, I am looking to develop two approval processes for capital bonding projects: one for proposed new net square footage; and another for the remodeling or refurbishing of existing square footage. I have asked Alex Roe, associate vice president for Capital Planning and Budget, to lead this effort.

• On the issue of segregated fees, I am calling for an in-depth analysis and review of existing segregated fees as well as the development of a new process for approving seg fees. As we all know, every campus has become more reliant on segregated fees in recent years, and we intend to do a better job of accounting for those fees – and finding ways to reduce them where possible.

• I will tell you right now: Going forward, existing segregated fees and any requests for increases in segregated fees will be subject to unprecedented scrutiny. I am asking Freda Harris, associate vice president for budget and planning, to lead these efforts.
To recap, I am proposing that we make changes in three main areas.

- First, we intend to reform and re-engineer our business practices;
- Second, we will refocus and realign our academic priorities; and
- Third, we will redesign the development and approval processes for our facility requests and segregated fees.

These will not be easy changes, but we are taking these steps in collaboration with our faculty and staff and colleagues on every campus so we can assure that these reforms are done appropriately, effectively, and responsibly.

This is the right thing to do. If we do our jobs well, the result will be a stronger UW System, one that adds value to our students, our faculty, our staff, our unique and varied institutions; and to the people of Wisconsin.

I look forward to keeping you updated on our progress.