March 6, 2014

“Remarks to the Board of Regents”
UW System President Ray Cross

Good morning. To be entrusted with serving as President of one of the country’s most respected public university systems is truly an honor, and I sincerely thank the Regents for granting me this privilege.

It’s been two and half weeks on the job, so forgive me if I don’t have it all figured out. But I can tell you, I am energized by the passion, curiosity, and commitment to the pursuit of knowledge that I see and hear every day in the students who call our campuses their home, and in all those who work to make the University of Wisconsin a special place to live, work, and learn.

Let’s start by talking about the difficult stuff. We face some big challenges. We all know that. Unfortunately, there is no magic formula to quickly solve these problems. What we can do is be open to ideas and suggestions and carefully listen to those around us. That’s the key. Engaged listening. And that’s my promise to you.

Many years ago, while working as a consultant to a GM supplier, I discovered how important it was to listen to all stakeholders. I had been tasked to find a way to reduce the wrinkling in the sewn edging around their sun visors – a small problem in the grand scheme of things, perhaps, but nonetheless vexing.

After spending hours analyzing the design and the tooling, I decided to head to the production floor to observe how the edging was actually being sewn in place. I watched a worker sew several edgings on visors and observed how she wrestled with this wrinkling issue. I asked her what she thought needed to be done to
correct the problem.

“Why, we need the horn shaping the edging that’s fed from the spool to be more curved, and the wrap-around plates need to be tighter to the horn.” It was that simple. The point is, she immediately identified what was causing the problem, and better yet, she knew how it could be fixed. But no one had ever asked her, or, worse yet, ever listened, or paid attention to her.

I was talking about listening with my son a while back, and he suggested I check out the writings of the French philosopher Simone Weil. Ms. Weil, who lived and died during the Nazi occupation of France, was well known for her humaneness and her empathy. She once noted that, (QUOTE) “Attention is the purest and rarest form of generosity.” (END QUOTE) Think about that. Giving attention to, or listening carefully to our friends and our critics, especially our critics, seems so simple – yet it is rarely practiced.

When you think about it, this is truly what the Wisconsin Idea is all about. Yes, providing the benefits of the university to all the corners of the state is our mission. But in order to really be effective, we need to better understand the needs of people throughout the state. Only then can we truly be engaged in helping to find solutions to their problems and, as our mission suggests, improve the human condition.

To accomplish this, we have to be really good listeners – not just good lecturers or researchers. We have to pay attention! This means strong two-way relationships and open, honest communication. It’s not just bringing the resources of the university to the people of Wisconsin, but bringing the problems of the people to the university. Listening, not just lecturing.

As you may have heard, I plan to practice what I preach and will begin a listening
tour across Wisconsin. We hope to make our first trip later this month, and keep going until I’ve had a chance to visit with students, chancellors, business leaders, lawmakers, alumni, and citizens from across the entire state. These are our friends, our neighbors, we have shared interests. And we have a mutual interest in making Wisconsin a better place to live, work and raise families.

First and foremost, however, we need to better communicate our financial situation – fulfilling our pledge to create even greater transparency and openness. That’s fundamental.

You shouldn’t have to be a CPA to have a basic understanding of the university’s finances. I mean, we are educators. If we can’t express and explain complex issues in a way that most people can understand them, then we need to try again, and keep trying until we find a way that works. It is vitally important that we succeed.

This is my top priority right now, today, and tomorrow, and next week, and next month, and the month after that. I want everyone in this room to “get” our finances. To understand how much money we have, where it is, and where it is spent. Does this sound possible? I think so. And we intend to demonstrate it.

We have heard clearly from legislators, the public, and our colleagues within the university that this is important and necessary. And in fact, we are well on our way to addressing this in three key ways.

1. **Fund balances**: We intend to provide a breakdown of our fund balances by institution and then break that down further by the classifications identified by the Legislative Audit Bureau. This will allow the Board to more effectively implement the recently adopted program fund balances policy. It will also help all of us better manage our institutions while being clear about our “carryforwards.”
2. **Regular financial reporting:** We are in the process of developing a “performance vs. budget” financial report we plan to present to the Board on a quarterly basis. This should help all of us better understand our position throughout the year, not just once a year.

3. **Re-design our annual budget development process:** Currently, we ask the Board to approve an annual budget built almost exclusively from the previous annual budget. We now intend to include a “Projected Actuals” input piece along with a “Projection of Year-end Cash Balances.” These additional input pieces will provide all of us – and especially the Board – with a more complete financial picture of the University as the budget is being developed and adopted.

Later this afternoon, David Miller will share more details on some of these. We already have made significant progress. At the April meeting, you should receive our early projections of FY14 fund balances and an expanded “performance vs. budget” report. We will, of course, be using this new budget development process when we build the proposed annual budget for FY 2015.

Building trust in how we manage and communicate our financial interests is vitally important to all of our stakeholders – students and families, faculty and staff, lawmakers, the Governor, the people of Wisconsin, **the people in this room**!

With this solid foundation in place, we can consider how to move forward in other areas. I hope to embed three main themes into everything we do: Innovation, Collaboration, and Communication.

Let me start with innovation. As you probably know, I love innovation. Innovation excites me. We are in a new era with new tools and new models. The learning experience of the future will be rich in project-based learning – internships, co-ops, undergraduate research, blended learning, flipped classrooms, collaborative projects, individualized learning strategies, capstone experiences, and an array of other things that haven’t even been thought of yet. Many of these innovative
approaches are already being used in some of our classrooms and labs. I hope to create an environment where innovation and experimentation are encouraged, analyzed, and embraced.

Secondly, we must find ways to be more collaborative. Collaborations and partnerships have never been more important. Success in this era requires working together internally within the System. We must celebrate our “System-ness,” our different missions and strengths, the uniqueness of our institutions that make the whole so much greater than the sum of the individual parts. Like an orchestra, we need more than just violins and trombones to produce a great symphony.

At the same time, we must collaborate externally with other systems and other entities. With businesses, with communities, with organizations around the state and, yes, even around the globe. As the world becomes more complex, collaboration and cooperation become more valuable – even essential. In a dynamic, ever-changing world, isolation can be very dangerous.

And to be innovative and collaborative, we must be good communicators. No one is a perfect communicator; however, that must be our goal. To inform our stakeholders and maintain a relationship built on trust, we need to improve our transparency. At this point, that includes providing simplified financial reporting models, dashboard indicators of performance metrics, and reporting our financial performance targets and trends. We need to implement measurement and management tools that will clearly and effectively communicate our business operations.

While I’ve been talking a lot recently about the need for better listening, I have already heard some clear messages. Let me share some thoughts on four broad issues that have been brought up with me over and over.
• Strengthening our state’s economy and growing our businesses;
• Supporting a seamless pipeline between K-12 and higher education;
• Addressing the special challenges of our urban centers and some of our rural areas;
• Focusing greater attention on future educational practices.

Clearly, Wisconsin needs to create more jobs and grow businesses. This is an area of vital importance, and the University could play an increasingly significant role in helping to improve the economic landscape of Wisconsin. Again, policy makers and citizens are telling us this is their number one concern, and we need to work to find solutions.

I have some thoughts about how the university could be more engaged in this respect – things like greater support of Stage 2 business growth, where there is the highest job growth opportunity, and a focused effort on translating our incredible research into commercial products and services – but that is for a future meeting.

Second, the educational pipeline needs attention. There is a growing need for the University to be more engaged in K-12 issues. We all need to recognize – and act on – the reality that education is a grand continuum that starts even before little Susie or Charlie steps into their first classroom, and it continues long after their sheepskins are signed and tassels moved from right to left. All of us in this venture have a shared responsibility for the success of that entire continuum, not just our own little portion. We need to be more engaged in dual/concurrent enrollment efforts; in the process of improving and reducing the need for remedial education; and “plugging the holes” within the educational pipeline. We need to collaborate, cooperate and partner with our K-12 colleagues in new ways. This is not just their problem – we need to own it as well.

Third, we need to leverage our “System-ness” through collaboration to focus on our urban challenges. The poverty and dimmed dreams in urban centers like
Milwaukee may not be so different, it turns out, from the underdeveloped potential found in remote rural regions of Wisconsin. But our approaches to meeting those needs might be radically different. We need to do something more to assure that “equal access to opportunity” isn’t just a lofty sounding cliché. We need to help the state find innovative ways to deal with these issues and collaborate with whomever we can to move the dial, to fulfill our mission – to improve the human condition for all the people of Wisconsin. This must be our problem, too – our challenge, our mission, and our commitment. Our state needs us! Our friends and neighbors need us. We can be the difference maker here.

Fourth, I also think we need to embrace more enthusiastically a future-oriented approach to education, one that allows greater experimentation, one that’s open to new delivery methods, makes use of the latest analytical tools, and applies rigorous analysis and assessment to ensuring the highest standards. From high-impact practices to flipped classrooms to the Flex option and so much more, we, at the University of Wisconsin, can and should be a leader in experimenting with, analyzing, and employing innovative learning practices that can make a real difference for our students and for our society.

In whatever we do, we must always remember that University of Wisconsin needs to also be a university for Wisconsin. As a public university, the people of Wisconsin, the taxpayers, created and now support their university. The return on their investment has been significant and continues to grow. Now, they need us more than ever. We need to be even more responsive to their needs.

As I have said before – and you can count on me to repeat this – our colleges, universities, and extension networks are the pride of Wisconsin and the envy of this nation. I’m eager to work with the Regents and all of my UW System colleagues to enhance these assets in ways that will benefit the entire state, in keeping with the state’s richest traditions.
The truth is, we don’t know where the next important idea will come from, just like GM didn’t know how to solve its visor problem until we listened to an assembly line worker. We can’t afford to make that mistake here. Listening, reaching out, and paying attention can seem so simple, yet, as Simone Weil wrote, it is also so rare.

In the spirit of the Wisconsin Idea, we must honor the value of two-way dialogue about what this public university can and should be doing. Through that journey of mutual inquiry and revelation, I fully anticipate that a meaningful shared vision will emerge that can be embraced by this Board, our students, our faculty and staff, lawmakers, and the people of Wisconsin. Let us all remember who we are: not merely the University of Wisconsin, but the University for Wisconsin.

Thank you.