

Minutes – DRAFT
Achieving Operating Efficiencies Work Group
Board of Regents of the University of Wisconsin System
January 7, 2004

The Achieving Operating Efficiencies Work Group met at approximately 12:35 p.m. at the Lowell Center, Madison, Wisconsin, following a meeting of the steering committee for Charting a New Course for the UW System. Work group members present were Regent Nino Amato, Vice President Debbie Durcan, Student Representative Alan Halfen, Chancellor Douglas Hastad, Academic Staff Representative Therese Kennedy, Regent Jose Olivieri, Faculty Representative Lisa Seale, Chancellor Charles Sorensen, Vice Chancellor Andrew Soll, and Director of Operations Review and Audit Ron Yates. Not present for the work group meeting were Regent Mark Bradley (chair), Chancellor Jack Miller, and Regent Emeritus Jay Smith. Among the others present were Chancellor Richard Wells, United Council President Jeff Pertl, and Assistant Director of Operations Review and Audit Jane Radue.

At Regent Bradley's request, Regent Olivieri served as chair of the meeting. He began by asking for any comments on or corrections to the December 4, 2003 meeting minutes. Chancellor Sorensen made a motion to approve the minutes, Chancellor Hastad seconded the motion, and the minutes were unanimously approved.

UW System Missions and Program Emphasis

Regent Olivieri asked Director Yates to present a paper on UW System missions and programmatic focus. Director Yates began by recalling that the impetus for this paper was Regent Emeritus Smith's earlier question about whether the UW System's resources are aligned with its mission. Director Yates noted that a direct answer to that question is not easily determined; the paper offers several alternative ways of examining the UW System institutions' missions.

The paper provides an overview of the core mission statement of the UW System and the select mission statements of the UW institutions. The paper also identifies components of effective higher education mission statements: 1) purpose of the institution; 2) strategies for achieving the institution's mission; 3) the values and beliefs the institution uses to guide its activities; and 4) the institution's intended impact on stakeholders and society. A content analysis of the UW's mission statements shows that these components are generally present. However, the mission statements often are not tied to strategic plans. Director Yates mentioned a process of mission review in Missouri that led to each of the state's ten four-year institutions developing a unique mission and admissions selectivity designation. Director Yates suggested that the process of aligning resources with missions could include strategic planning, an analysis of whether each mission includes certain key components, and periodic mission review.

During the discussion that followed, Regent Olivieri asked whether missions affect program array. Director Yates responded that they do if they are tied to the strategic plan and budget. Chancellor Sorensen offered that institutions' missions are adjusted periodically because institutions' program planning efforts are tied to the mission. Regent Olivieri asked Chancellor

Hastad to comment on the UW-La Crosse mission, and Chancellor Hastad noted the evolution from a teachers' college to the institution's current emphasis on allied health and health sciences. Vice Chancellor Soll suggested that there is a continuum in the degree of specificity in the UW institutions' missions; UW-Eau Claire's liberal arts emphasis, for example, yields a less specific mission. Student Representative Halfen mentioned a tuition remission initiative at UW-Platteville involving Iowa students. He said it would be possible for such a program to become part of the institution's mission.

Director Yates referred to a table showing the top ten majors conferred at UW comprehensive institutions as a possible way of examining the question of the relationship between program array and missions. Chancellor Hastad noted that the number of students majoring in a given subject is determined, at least in part, by the student population. Chancellor Sorensen noted that all of the institutions began as normal schools, and then professional programs arose, even at liberal arts schools. He observed that the missions in Wisconsin seem to be better defined than in some other states. He is not concerned that there might be misalignment between missions and programs. Director Yates replied that misalignment is not necessarily a major problem; some UW missions are simply more specific than others. Also, resources get allocated to the various majors based on student demand, regardless of the mission statement.

Referring to last month's discussion, Regent Olivieri noted that the UW System has ended up with campuses that serve their geographical areas; this is actually their core role, rather than providing service in distinct program areas. Students who go to a farther-away campus for a specific program are probably in the minority.

Regent Olivieri said that the discussion at the last meeting raised the possibility of a "trigger" for when program review should occur. Similarly, the group might want to consider whether there should be periodic mission review based on certain criteria, such as System goals. This could be a potential recommendation from this work group. Regent Amato suggested that it would be necessary to define the System's strategic direction first, so that there would be a basis for making changes. Regent Olivieri noted that theoretically it would be possible to have a goal of increased bachelors degrees in Wisconsin contradict the notion of better-defined missions. Regent Amato referred to the need for more nursing graduates in the state and asked what this suggests about the strategic direction to take – should campuses with existing nursing programs move to quickly address this need, should nursing programs be offered through distance education, etc.

Director Yates mentioned Missouri's distinction among institutions: various institutions have selective, moderately selective, highly selective, or open admissions, based largely on high school rank and ACT or SAT scores. Vice Chancellor Soll noted that there may not be agreement that test scores are valid measures of the "quality" of students. Work group members also raised questions about whether the Missouri effort has been successful; since Missouri's process of reviewing missions was implemented between 1997 and 2002, it is too early to know. Vice Chancellor Soll noted that despite their admissions policies, the Missouri institutions might be serving regional markets. He noted that this would not necessarily be negative. Access and quality do not need to be at two extremes. Also, it is possible that missions do not have to be

unique, since there is a need for the various majors in each region. Academic Staff Representative Kennedy suggested that regionalization is unique to Wisconsin and is an important part of its tradition.

Professor Seale made several points in response to the preceding discussion. She suggested that it is possible to have both more bachelors degrees and more distinctive missions among UW institutions, since there are significant opportunities for collaboration. Also, access can be increased, as alternative methods of delivering education already exist. In addition, she noted that the UW already has an open enrollment institution in the System – UW Colleges.

Regent Amato referred to the UW's serving fewer students from lower income levels. He suggested the need to do an environmental scan and convert concern about this issue into a strategic objective. He also raised a question about how strategic goals are converted to targets and how progress toward the targets is measured. He offered the example of objectives for chancellors. Chancellors are to meet enrollment targets and certain other goals. Chancellor Sorensen noted that each chancellor is expected to achieve four or five outcomes, in addition to specific campus objectives.

Regent Olivieri suggested that the staff be asked to identify periodic mission review as a possible recommendation on which the work group could vote. Student Representative Halfen suggested that the UW System core mission, in addition to institution missions, be reviewed periodically. Chancellor Hastad mentioned lateral reviews (discussed in December) as a necessary part of this discussion, because these reviews examine numbers and locations of programs, relationship of programs to missions, and program duplication. Chancellor Sorensen suggested that liberal arts programs are not well suited for lateral reviews, because they are at the core of what every UW institution offers. Chancellor Hastad clarified that for this reason lateral review could be used in areas other than liberal arts; he noted the importance of a liberal arts education for helping students develop critical thinking skills. Regent Olivieri noted that perhaps there should be a group recommendation related to lateral review, as well.

Instructional Delivery Systems

Chancellor Sorensen noted that Alan Guskin would be at the February meeting, so it would be best to defer until then a discussion of competency-based degrees and creating change in instructional delivery systems. Chancellor Sorensen briefly mentioned the experimentation with technology that has been occurring in higher education.

Regent Olivieri suggested that the role of technology should be central in any discussion of educational quality, because technology is at the core of quality. Technology is a factor that has significantly changed education in the last 25 years. He suggested that this discussion needs to occur in the Re-Defining Educational Quality group. Professor Seale affirmed that technology is a quality issue for faculty and offered that it would be appropriate to discuss it in the Efficiencies group because staff-training needs associated with technology represent a cost issue. Vice President Durcan noted that technology is also an efficiency issue in that technology may ultimately allow more students to be educated at the same cost.

Academic Staff Representative Kennedy suggested that the group consider the example of Phoenix University and the limited interaction opportunities that students in on-line programs are afforded. Chancellor Sorensen countered that Wake Forest has been a digital campus for 12 years, and the campus has discovered that there is actually more interaction between students and faculty. Student Representative Halfen noted that having course information available on line is helpful when a student has missed a class or is studying for exams and the professor is not available; students need interaction with their professors, but on-line learning is one of the ways that students are learning now. Vice Chancellor Soll noted that it is no longer realistic to consider quality to be a faculty/student ratio of one-to-twenty. Chancellor Wells offered that the Re-Defining Educational Quality group is considering models of quality that include different ways of learning. Regent Olivieri suggested having a joint meeting of the Efficiencies and Quality work groups.

Collaborative Academic Programs

Director Yates presented a report on collaborative academic programs among UW institutions. Director Yates mentioned that there has been a long history of successful collaboration. The report includes examples of collaborative programs. He said that the institutions typically develop the programs. There may be a need to formalize the process so that: 1) administrative issues, such as stronger cost-sharing agreements, admission standards, registration procedures, and recruitment and marketing efforts, are addressed; and 2) program needs are identified more systematically.

Regent Olivieri posed questions about: 1) how to measure success in collaboration, and 2) if collaboration is assumed to be good, what would be incentives to engage in more collaboration. Chancellor Sorensen recalled a consortium, headed by an executive director, among UW-La Crosse, Stout, Eau Claire, River Falls and Superior. Coordinated services, the Scotland program, joint grants, and other programs and services resulted from the collaboration. It was a model that worked well, but it was discontinued due to budget cuts. Chancellor Hastad posited that measuring whether collaboration is good depends on a determination of whether it achieved the outcomes expected from the collaboration. For example, if more nursing graduates are expected to result from a collaborative effort, and if more nursing graduates result, then that is a good result.

Chancellor Sorensen highlighted another good example of collaboration: the collaboration between UW-Stout, Waukesha Technical College, and Sussex High School. Chancellor Hastad noted that a consortium of UW libraries has been very successful.

Regent Olivieri queried whether periodic collaboration reviews would be valuable; institutions could report on recent collaborative efforts. United Council President Pertl suggested that in shaping a vision of the System it is important to consider how super-institutional areas – for example, liberal arts in technical colleges, distance learning, collaborative programs – fit with the big picture of the UW System. Regent Olivieri suggested that collaboration could possibly be a vehicle for meeting certain System goals, such as increasing the number of graduates or bringing together students from diverse backgrounds. Chancellor Sorensen mentioned the success of an audio/video program that brings together

students from California, Texas and UW-Stout; something similar could be tried across the System.

Chancellor Hastad reiterated that collaboration is a tool to reach an end, rather than an end in itself. He and Regent Olivieri agreed that it would be important to measure the outcomes of collaboration (rather than, for example, the number of collaborative programs). Chancellor Wells gave an example of a program that is leading to more Native American nurses. Vice President Durcan suggested that efficiency goals of collaboration could include avoiding duplication, maximizing the use of resources, and increasing the number of graduates.

There was a brief discussion about providing incentives for institutions to collaborate. United Council President Pertl suggested that sharing resources is useful, but other ways of collaborating, such as pre-college programs, might reduce graduation time and help the System move forward on a wide range of goals.

Regent Olivieri suggested getting a recommendation regarding collaboration on the table at a future meeting, for a vote by the work group.

Follow-up on Administrative Efficiency Issues from December and Budget Issues

In connection with the steering committee's earlier discussion about bringing forward budgetary items by March, the work group discussed the five administrative areas that were discussed in December – auxiliary fund management, information technology (IT) management, purchasing and contract management, travel management, and human resources management. Vice Chancellor Soll noted that these are areas that could be addressed internally; if savings might be generated by improvements in these areas, these areas may not need to be budget items. Academic Staff Representative Kennedy also asked whether there is a need for budget proposals if savings will be generated. Regent Olivieri said that he believes it is necessary to bring forward proposed efficiencies and improvements, to help avoid the risk of funds being taken away.

Director Yates, referring to the steering committee discussion about bold ideas, suggested that it would be a bold idea to separate from the state on human resources (one of the five issues). Regent Amato noted that any presentation of bold ideas should be accompanied by information about the associated monetary savings. He also noted, with respect to ideas for restructuring, that if the work stays the same, costs will not necessarily be reduced.

Chancellor Hastad agreed that one goal is to show savings, but another goal is to increase the per capita income of state citizens; rather than only showing savings, it would be useful to show how the System can operate efficiently and effectively to increase per capita income. The System can demonstrate budget cuts, collaboration, and savings, but also must show how it can invest prudently for a better return. Regent Amato reiterated the need to clearly state the System's goals related to per capita income, relationship with the Technical College System, and other areas. The System needs to show legislators what the state will gain from an economic development standpoint.

There was discussion about getting as many items as possible before the work group, for its consideration, by February. Regent Olivieri listed five priority proposals that Regent Bradley indicated he wants to have in place by March: 1) capital building program, 2) procurement, 3) cash management, 4) auxiliary fund management, and 5) other efficiency measures identified in past studies. Vice President Durcan noted that instructional delivery issues, to be discussed in February, may have costs associated with them, as well.

Several other items were raised as topics for further discussion, including relationships between UW System and its partners and the role of UW-Extension.

After a brief discussion about the possibility of having longer or more frequent meetings in the future, the work group adjourned at 2:24 p.m.