

Minutes
Achieving Operating Efficiencies Work Group
Board of Regents of the University of Wisconsin System
August 21, 2003

The Achieving Operating Efficiencies Work Group met at 12:15 p.m. in room 205, Pyle Center, 702 Langdon Street, Madison. Work Group members present were Regent Mark Bradley (chair), Regent Nino Amato, Regent Jose Olivieri, Chancellor Douglas Hastad, Chancellor John Miller, Chancellor Charles Sorensen, Vice Chancellor Andrew Soll, Vice President Debbie Durcan, and Director Ron Yates. Others present were Assistant Vice President Nancy Ives and Assistant Director Jane Radue and Program Analyst Tou Her (Office of Operations Review and Audit).

Regent Bradley began the meeting with the introduction of the non-member attendees. Assistant Vice President Ives is providing additional support to various work groups. Jane Radue and Tou Her from UW System Office Operations Review and Audit were in attendance to assist Director Yates, who is staffing the work group. Regent Bradley asked Vice President Durcan for clarification regarding new members. Vice President Durcan responded that new work group members will join the group at the September meeting. The new members will include a faculty representative, a student representative, and an academic staff representative.

Regent Bradley stated that the tasks of the work group are to define the scope of the work group, to identify future short-and long-term actions, and to develop a final report by June 2004. While the planning document already includes some topics for the work group, the work group is not constrained by the list of topics listed, as clarified before the breakout session.

Regent Bradley requested feedback from work group members on whether the group should focus on day-to-day operational efficiencies of the UW System or examine opportunities for transformational changes within the UW System. Regent Bradley also noted that the existing list appears to include "System-down" suggestions and raised the question of whether the group would rather examine issues as identified by campuses.

Chancellor Sorensen stated his belief that the work group should focus on transformational issues. The work group could examine the core mission of the UW System and look for models that will help the UW System become more efficient while still maintaining its quality. For instance, most higher educational institutions, including the UW System, are locked into the credits-for-graduation model. While this model will remain the model for higher education for the next eight to ten years, the work group needs to examine other models, such as the competency-based-bachelors-degree model. Chancellor Sorensen noted that the System needs a long-term model of serving more students at less cost due to fewer resources being available. This is a long-term issue, but the group should initiate this discussion. Since the System will not be able to address increased demand without increasing workload, it is necessary to look at the bigger picture. The work group could also examine governing models from other higher education institutions, such as Michigan and California, which could be viewed as a

spectrum. The group could compare and contrast the two models and then suggest where the UW System should be on that spectrum.

Chancellor Miller noted that some bigger-picture issues may fall within the purview of the other work groups. Looking at more detailed operational issues may be unavoidable. Chancellor Miller suggested that the work group examine the various efficiency studies that have been completed and identify significant issues in the studies that remained unresolved.

Regent Olivieri noted that the overriding theme of all of the work groups is to examine how the UW System can do more with less. Thus, the work group has room to address general and transformational issues. Regent Olivieri noted that some of the topics on the existing list are actually quite significant (e.g., changing our business models). Regent Olivieri stated that the Board of Regents (BOR) should not be involved in the nitty gritty of campus operations, but should set out principles.

Regent Bradley renewed the question of whether the group should look at operational issues from a campus perspective. Chancellor Hastad noted that the nature of the group will probably ensure a campus perspective.

Chancellor Miller mentioned the Spring 2000 UW System Efficiencies and Effectiveness Report. Campuses sent in efficiencies they had achieved, and System compiled an overall plan. He suggested the group could examine which issues have come to fruition and which have not, as they relate to the big-picture issues. There may be some systemic barriers to the individual campuses' achieving efficiencies, and these could be identified. This task could be done quickly and then the work group can move on to bigger transformational issues.

Vice Chancellor Soll stated that the efficiency studies have been useful for campuses. Barriers, such as areas where legislative change is needed, could be identified. This may be something the Chief Business Officers group could do, apart from the work group process. The work group should not lose sight of the bigger picture, such as how many students are graduating or how many degrees are awarded.

Regent Bradley noted that this work group has a special opportunity and that the group would need to be cautious about turning into a committee that would oversee detailed efficiency matters rather than focusing on the big picture.

Vice President Durcan stated that a comprehensive picture of needed efficiencies would be important. In the past the System has sometimes received only some of the flexibility it has needed from the Legislature. As for the outstanding issues raised in the various efficiency studies, Regent Olivieri wondered if the BOR Finance Committee could look into these issues, as they typically would fall under the charge of that committee. Assistant Vice President Ives noted that the efficiencies in existing reports are reflective of the way we the UW does business now. Regent Olivieri agreed that the work group needs to think "out of the box".

Chancellor Sorensen indicated it would be helpful to look at the way we do business now compared with where the UW could be. The group could examine models of centralization and decentralization, for example. Looking at websites would be one way to examine this issue.

Regent Amato requested clarification as to the topics listed on the various planning documents. The initial planning document contained a different list of topics from the current planning document. Regent Bradley responded that all the topics listed are relevant to the work group and no topic should be discarded at this point. Regent Amato noted then that the work group should include capacity utilization as a topic, seeking more information from the morning's speaker (Mr. Jones) about this topic.

Director Yates indicated that his staff could review the various efficiency studies and identify areas that have not been accomplished. As for the governing models, an option would be to look at best practices. However, the scope of this best practice review would need to be narrowed down further. Also, identifying best practices entails talking to staff at institutions, as information on institution websites often does not reflect actual practices.

Regent Amato agreed with Director Yates that information on best practices gathered from websites or other documents will have to be dissected, as something that looks good on paper may not always look good in reality. Regent Bradley suggested looking at best practices nationally and internationally and asking whether there are things we should keep doing or stop doing. Vice Chancellor Soll noted the need to define what is a best practice – e.g., more degrees awarded vs. providing instruction, whether the instruction results in a degree or not. Efficiencies need to be evaluated within a context.

Chancellor Miller noted that he has some concerns about looking for best practices unless the areas to be looked at are clear. For instance, limiting credits to degree might be an area to examine. Vice Chancellor Soll agreed with Chancellor Miller that the evaluation of best practices could include the objective of getting students through “the pipeline” more efficiently. This could lead to decisions about what limits, penalties, etc. would be used to promote efficiency. Ease of credit transfer, two-plus-two programs, relationships with other institutions, and reducing credits to degree are all methods of helping students get through the pipeline, thus allowing the system to serve more students. Chancellor Sorensen noted that the Graphics Program at Waukesha Technical College is a good example. Students in this program begin in high school with an emphasis on print and graphics, transfer to the technical college, and then to the UW; the programming is seamless and addresses transfer and time-to-degree issues. Such a program could be applied statewide and in other subject areas once the issue of transferring credits is resolved.

Regent Olivieri noted that it is important that the work group focus on the entire UW system and not individual programs. Also, the group needs to maintain a legislative perspective on efficiencies. The Legislature is very concerned about access issues. Regent Amato agreed that credit transfer is an issue, not only for specialized courses, but even for English 101. Regent Olivieri suggested that system-to-system credit transfer also is too complex.

Chancellor Miller proposed that the work group consider as a theme: “building access while enhancing quality through more efficient progress toward a baccalaureate degree.” Director Yates noted that with this theme, the work could involve an analysis of various ways or strategies of accomplishing this theme. Chancellor Hastad noted that it was refreshing that the group’s discussion had been focusing on students when examining efficiencies. On the issue of access, Chancellor Hastad noted that there are many factors involved, and legislators often are not aware of these factors. Chancellor Hastad also noted that the work group would need to define capacity utilization. Regent Olivieri agreed.

Regent Bradley stated that the group would try to identify strategies that would lead toward the main goal identified by Chancellor Miller. Vice Chancellor Soll noted that a second tier in a two-tiered approach could be: “looking at opportunities to redirect resources through operating efficiencies.” Regent Bradley then summarized the group’s goals up to this point: 1) identification of key efficiencies that are needed and how these can be addressed, based on work to be done by Director Yates’s office; and 2) building access while enhancing quality through more efficient progress toward a baccalaureate degree.

Vice Chancellor Soll noted that one theme may be “alternative approaches to instructional delivery” or “re-thinking instructional delivery.” Regent Bradley was supportive of this.

Regent Amato noted that it would be helpful to get data on student-to-staff ratios for the UW, compared with other systems and also the Technical College System. Cost-per-student data also would be useful. Regent Amato noted that these sorts of issues have been raised at the Legislature. A question was also raised about where UW Extension fits into the discussions on efficiency. Director Yates stated that the discussion of class size and capacity utilization is related to academic costs. In the past, UW System Office of Operations Review and Audit has done reviews related to faculty workload and academic fees.

Chancellor Sorensen noted that in the late ‘90s the University of Dayton began to deliver introductory psychology to a huge group of students, for efficiency’s sake. Students still finished the course, despite the large class. Regent Amato asked about benchmarking the number of classes faculty are teaching. Vice Chancellor Soll indicated that there is no question that the proportion of classes taught by faculty has decreased. Vice President Ives noted that there was a study some years back looking at class size. Vice Chancellor Soll stated that class size would have gone up more significantly were it not for instructional technology. Vice Chancellor Soll also noted that capacity utilization does not always result in cost savings.

Regent Olivieri raised a question about unused capacity on campus. Regent Bradley suggested “ways of better utilizing existing capacities” as another strategy for the group to examine. Chancellor Miller indicated that if we continue to take students, despite budget cuts, this could seem to indicate that we have “excess capacity.” Vice Chancellor Soll noted that technology allows for continuing access.

Regent Bradley concluded the discussion by stating that, unless there are objections, the work group will adopt the statement proposed by Chancellor Miller as the theme of the work

group: “Building access while enhancing quality through more efficient progress toward a baccalaureate degree.” Strategies that the work group will examine include:

- Identifying significant unresolved issues from past studies on efficiency;
- Examining transfer of credits between the UW System and WTCS;
- Rethinking instructional delivery; and
- Examining better ways of using campuses’ existing capacities.

There were no objections.

The Achieving Operating Efficiencies work group adjourned at 2:00 p.m.

Tou Her and Jane Radue, Minutes Recorders
August 26, 2003