

# CHARTING A NEW COURSE FOR THE UW SYSTEM

University of Wisconsin System • Final Report Summary, Summer 2004

***“We should give fair warning, and we must continue to warn, that we cannot go on reducing faculty and staff, as well as support for instructional materials and equipment, and simultaneously undertake the teaching of ever-increasing numbers of students. To attempt such is an inescapable proscription for irreversible mediocrity.”***

— John C. Weaver, then-president of the UW System, to the Board of Regents, April 18, 1975

***“Wisconsin cannot continue its trend of diminishing state support for its universities, replaced in part by tuition dollars. The last budget cycle went far beyond trimming fat – to the point that the meat and bone of quality higher education were cut. A similar budget in the next cycle may send the system plummeting into an irreversible, downward spiral.”***

— Charting a New Course for the UW System, Executive Summary, Summer 2004

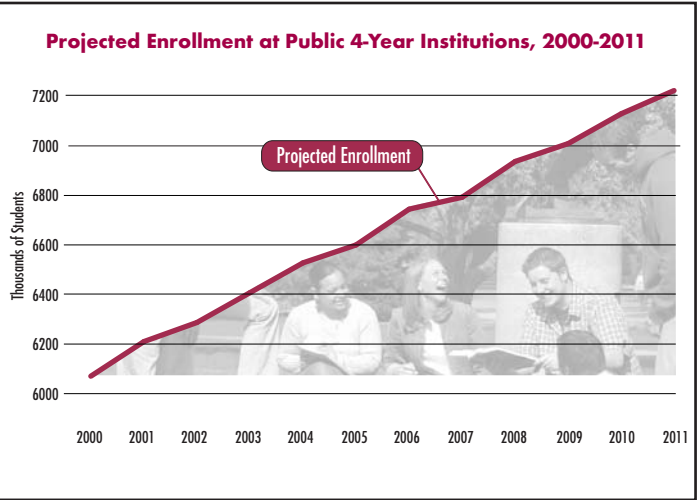
Strong words of warning, published nearly 30 years apart. Both statements alert Wisconsin citizens to the risks of damage to the University of Wisconsin System. Sensing a potentially perilous decline in educational quality, and an ever-challenging fiscal climate, the Board of Regents undertook a study in August 2003 to “chart a new course for the UW System.” In collaboration with faculty, staff, students, legislators, and other key stakeholders, the Regents embarked on a journey designed to meet the formidable challenges that face public higher education in Wisconsin, and across the nation.

## NATIONWIDE

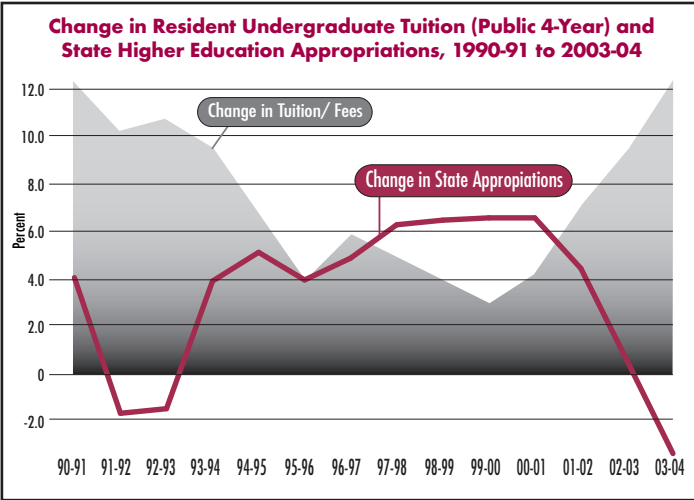
- Public university enrollments are soaring, with student demand projected to grow through 2011;
- Public investment in higher education is significantly declining in nearly half of the 50 states;
- The latest cuts in state spending on higher education follow a 20-year decline in some measures of state support, such as spending relative to personal disposable income;
- States are increasingly turning to public universities to enhance local and regional economies through research, partnerships, and worker training, placing additional pressure on strained university budgets.

In response to this “perfect storm” of more students, less state support, and heightened expectations, more than 25 state universities or university systems increased tuition between 10 and 20 percent in 2003. Another 13 universities or systems planned even higher increases. (The average UW tuition increased by 18 percent.) Students and their families are being asked to shoulder greater financial responsibility for college education.

Although states are experimenting with a variety of novel pricing strategies to improve efficiency, public universities report they are less and less able to shield students from the harsh realities of crippling budget cuts.



Source: American Association of State Colleges and Universities, 2003



Source: American Association of State Colleges and Universities, 2003

## SITUATION IN WISCONSIN MIRRORS THE NATIONAL TRENDS

- One in every three Wisconsin high school seniors enrolls at a UW campus immediately after graduation, compared to one in four nationally. UW enrollment has grown **by more than 8,700 students in the last 10 years though there are 670 fewer faculty to teach them.**
- In the current biennium, the UW System sustained a \$250 million budget cut, on top of a \$50 million reduction the previous year.
- The UW System sought nearly \$77 million in the latest biennial budget to continue statewide economic development initiatives, but received none of this.

► Wisconsin is now below the national average in state appropriations for higher education. In 2001-02, the national average state general purpose revenue (GPR) support per student was \$8,800. For the same year, Wisconsin spent about \$7,800 per student.

Despite Wisconsin's sharply higher tuition and best efforts to manage and minimize the impact of the recent budget cuts, the loss of state support is affecting students, faculty, and staff across the UW System. UW campuses report reduced hours and access to important student services, larger class sizes, and difficulties hiring faculty to teach critical courses.

## STUDY PROCESS

In an effort to assess the current situation and develop strategies for the future, the UW System Board of Regents, Chancellors, faculty, staff, students, and community members embarked on a year-long study of public university education in the state. Chaired by Regent Guy Gottschalk, board members divided into five working groups and agreed that three themes would inform their efforts:

1. **Educational Quality**
2. **Access and Affordability**
3. **Serving Wisconsin Directly**

Each of the working groups held public hearings, invited expert testimony, commissioned studies, held discussions with legislative leaders, and heard presentations by national experts. Public input was also encouraged via e-mail.

Board of Regents members began by closely examining opportunities for additional efficiencies and new sources of revenue, explored ways that new technologies could enhance service to students and the state, and identified legislative changes that would be most helpful. The report issued 27 separate recommendations in three categories:

1. **Self-Help** (can and should be accomplished by the UW System on its own);
2. **State Help Needed** (requiring specific actions by state policymakers); and
3. **Joint Efforts** (involving UW and legislative actions).

These recommendations are intended to foster discussion on the status of public higher education in Wisconsin and to provide a blueprint for the Board of Regents and the UW System President in the next few years.

## KEY FINDINGS

- There is no substitute for adequate, stable state support for the UW System's instructional mission.
- Sustainable, state-supported financial aid for students is needed to avoid pricing lower-income Wisconsin families out of higher education.
- The Board of Regents needs the ability to direct the process for setting competitive salaries, managing unclassified positions, and restoring faculty numbers for educational quality.
- Increased funding for diversity initiatives is required to improve the UW student experience.
- Significant investment in information technology can transform higher education in Wisconsin.
- Changing the way the UW System does business in capital construction, procurement, and risk management areas could yield significant savings.

For a full listing of all published resources, including presentation materials, visit  
<http://www.uwsa.edu/srvpadm/study/resources.htm>



## RECOMMENDATIONS

### SELF-HELP RECOMMENDATIONS

- Meet Wisconsin workforce needs by piloting a program at UW-Platteville that targets out-of-state student recruitment;
- Re-examine tuition charged to nonresident undergraduate students to identify more competitive rates, so the subsidy these students provide Wisconsin resident students is increased rather than lost;
- Evaluate alternative tuition models that positively affect student behavior;
- Help students more efficiently earn college credits and degrees;
- Further streamline administrative services;
- Promote collaboration across the System to attract more federal research funding and to assist Wisconsin businesses and local governments;
- Adopt a systematic planning process;
- Continue to participate in the Wisconsin Campus Compact to encourage service-learning and student citizenship through volunteer activities; and
- Examine options for increasing the number of nursing students to address the shortfall in Wisconsin.

**UW SYSTEM: Wisconsin ACT Test Takers Enrolled as Fall New Freshmen**

Wisconsin Family Income Quintile	1990		1992		1994		1996		1998		2000		2002	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Lowest	2,060	13.3	2,174	14.5	2,202	15.1	2,165	13.5	2,405	13.7	2,212	12.6	1,919	11.0
Low-Medium	3,140	20.3	3,267	21.8	3,340	22.9	3,642	22.8	3,826	21.8	3,766	21.5	3,194	18.3
Medium	4,016	26.0	3,763	25.2	3,398	23.3	3,828	23.9	4,661	26.6	4,380	25.0	4,271	24.5
Medium-High	3,325	21.5	3,136	21.0	2,987	20.5	3,250	20.3	3,920	22.4	4,084	23.3	4,418	25.4
Highest	2,903	18.8	2,618	17.5	2,676	18.3	3,111	19.5	2,707	15.5	3,086	17.6	3,608	20.7
All Quintiles	15,444	100.0	14,957	100.0	14,604	100.0	15,996	100.0	17,519	100.0	17,528	100.0	17,409	100.0
Median Family Income (Est.)	\$36,000		\$39,000		\$42,000		\$47,000		\$51,000		\$55,000		\$59,000	

Sources: ACT, Inc., UW System, and US Census Bureau.

### STATE HELP NEEDED RECOMMENDATIONS

- Stabilize state GPR support for higher education opportunity;
- Increase student financial aid to ensure access for students of all income levels and create a “hold harmless” program, providing grants to lowest-income students to cover increased costs;
- Streamline the capital building program process by modernizing statutes and procedures to match accepted national practices;
- Provide flexibility in the state procurement process, permitting more efficient purchasing of university goods and services through higher educational discounts;
- Provide UW System authority for university cash management and investment responsibilities currently performed by the Wisconsin Department of Administration;
- Provide UW System authority to retain and reinvest the proceeds from the sale of buildings or lands built or acquired with program revenue or gift funds (not state tax dollars);
- Expand UW System’s ability to create and abolish positions to include remaining program revenue operations;
- Adequately support UW library and technology needs; and
- Address campus infrastructure needs related to research space and funding to retain top researchers.

### JOINT EFFORTS RECOMMENDATIONS

- Expand diversity initiatives, with more emphasis on K–12 pre-college programs and a focus on Milwaukee schools and their students;
- Establish a Wisconsin Research Opportunities Fund to increase federal grants by matching funds for federal and/or business partnerships;
- Partner with the Wisconsin Technical College System to expand post-secondary opportunity for adult students and enhance credit transfers;
- Create educational quality grants to promote fundamental changes in teaching, student learning, and organizational systems;
- Continue an extensive examination of UW Risk Management program;
- Establish a Systemwide incentive fund to encourage faculty and staff collaboration across campuses; and
- Continue UW System commitment to growing the Wisconsin economy.

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