

Subject: Chancellor's Chatter

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From: Cross, Ray

To: UWC-UWCALL, uwex-all@lists.uwex.edu

Greetings

Before I left to go home this evening I thought I would sit down and crank out a rambling email to share some of my thoughts, observations, and opinions (danger, danger!). Since I am just typing as fast as I can I hope you will forgive my lack of attention to grammar, spelling, punctuation and typos. I just want to share a few thoughts.

Board of Regent's Budget Resolution

I have been in meetings all afternoon following the Board of Regents meeting so earlier today I asked Teri to send along a copy of the resolution passed by the Board this afternoon. Now that we have the resolution we will begin building the advocacy efforts to support this action in addition to our on-going advocacy efforts.

Some key points about the Board's "Budget Resolution" (as paraphrased from System materials) --

1. This resolution absorbs the "Badger Partnership" as proposed in the Governor's Budget for UW-Madison into the "Wisconsin Idea Partnership." The Wisconsin Idea Partnership provides UW-Madison with all the operation flexibilities proposed by Governor Walker, but within a unified System framework. It also provides the same flexibilities to all of the UW System institutions;
2. This option avoids the creation of a new public authority that would separate UW-Madison from all other UW institutions;
3. All employees would remain state employees (in the governor's proposal the UW-Madison employees would have become employees of the UW-Madison Public Authority);
4. Flexibility requested in the Wisconsin Idea Partnership is focused on these areas: Budgeting, Tuition/Pricing, Human Resources, Capital Planning and Construction, Financial Management, and Purchasing and Procurement.
 - a. **Budgeting** – funding to the institutions would come in the form of a "block grant" (not in the current line-item funding model) which would give institutional management the ability to move funds institutional needs and priorities. Savings realized on the campus from utilities, fringe benefits, or other areas would remain on the campus.
 - b. **Tuition/Pricing** – the authority to set tuition levels would be the responsibility of the Board of Regents. Policies and controls would be developed to ensure that UW campuses remain affordable for Wisconsin citizens.
 - c. **Human Resources** – UW System employees would not be governed by the same laws that govern virtually all other State of Wisconsin employees. Titles, pay ranges, pay plans, benefit plans, and other human resources decisions currently made by OSER and applied uniformly across all agencies would be made by the UW System.
 - d. **Capital Planning and Construction** – The State Building Commission would still approve all projects over \$500,000 regardless of the source of funds; however, the Board of Regents would have authority to undertake and oversee the management of projects funded entirely from sources other than GPR and GFSB. In addition, the Board would be able to accept gifts of land or other real property or to allow privately-owned or operated facilities on University land.
 - e. **Financial Management** – currently, the state retains any interest earned on investments and finances. This plan would allow the Board of Regents to oversee revenue and retain interest earnings on program revenue funds.

- f. **Purchasing and Procurement** – the Board of Regents would be delegated the authority to enter into contracts for specialized, University-related materials, supplies, equipment and services.

Questions and Comments:

Will these flexibilities save us that much money? Will they make up for the cuts being proposed? **NO** -- but they will give us the flexibility to deal with the cuts in a much better fashion. Perhaps we can save a position by moving funds from one account to another or shift savings in one area to another. There will be some savings but it will not be that significant. Additionally, they will help us deal with our salary compression issues, our job title restrictions, our inability to purchase supplies locally, and retain any savings we generate through our own initiative.

Does the UW-Madison Chancellor (Biddy Martin) support this proposal? Biddy argues that this plan will not be supported in the legislature or by the Governor and that the current proposal by the Governor has the best chance of passing therefore we should all support the Governor's plan. I disagree. Several legislators on the Joint Finance Committee asked us to give them a plan. They are not enthusiastic about the Governor's plan but they want to make some changes – they want a plan and this is in direct response to their requests. They have also expressed concern about the independence of a Public Authority and the “privatization” of UW-Madison. This plan does not require the writing of a whole new section of state statutes (Chapter 37?) as the Governor's plan does but merely some modifications to existing laws. Furthermore, it retains the widely acclaimed Chapter 36, which I think is a very persuasive argument.

Will the Governor support this plan? When we met with him to discuss his plan he clearly indicated that he was open to alternatives. He did not think all of the institutions were ready for “independent” status under numerous public authorities but he did confirm that he wanted to move all campuses in that direction. Since this plan retains the System structure and could move the campuses toward greater flexibility as they are prepared to accept it I believe the Governor will support the plan if we can get it introduced, supported and passed by the Joint Finance Committee.

What are the potential challenges facing adoption of this plan? In my thirty plus years in higher education I have never seen legislators eager to give up control over public higher education. They probably fight harder to retain their control over setting tuition levels than just about anything else. Thus, I believe that will need to be carefully presented and we will need to allow them some control (perhaps a range) over tuition. They will also want to maintain some level of accountability. I believe the System already has metrics that would fit nicely into that model and that the Legislature and the Governor would accept.

Why are we advocating for flexibility right now – why aren't we advocating for increased funding? Why isn't that our highest priority? While we certainly are advocating for increased funding, it is not getting any traction – none. In fact, even our most avid supporters are telling us to expect less. Thus, what might they be able to give us that could help us deal with these cuts – flexibility. This doesn't cost them any money and provides them with the opportunity to give us something during this difficult time.

Other Questions

I know many of you have other questions about what is going on in the Capitol right now so let me try to brief you on some things and share some thoughts (of course things could change but let me speculate a bit).

Budget cuts – even though our portion looks like it could ultimately be between 5-6% (or even less after possible tuition increases and other adjustments) we believe we can manage that with minimal impact. What does that mean Ray? We believe we can offset that in other creative ways and with everyone's help we can handle the cuts with minimal impact. We are worried about the multiplying effect of cuts to local governments (Coop Ext, etc.) and from the federal government (WPT, WPR, Coop Ext., etc). These cuts on top of our base cuts could really be harmful in some counties. We will keep everyone posted as we

continue analyzing the funding models and receiving more information from System.

Layoffs -- as I indicated during the Town Hall meeting yesterday – I just don't see this happening. There could be some changes and we don't know how the Budget Repair Bill might finally be resolved so I need to reserve final judgment for some time; however, this does not seem likely right now. The classified staff are probably at greater risk than in the academic staff but even that is slim in my opinion (remember, that is my opinion and well that might not be worth much!)

Collective bargaining – as most of you know the Senate extracted the collective bargaining language from the Budget Repair Bill and, since it then did not require funding authority, a quorum was not needed so last night the Senate passed the language in the Bill which limits the ability of public employees to collectively bargain. Today, the Assembly passed the Bill as well and the Governor has indicated that he will sign it quickly. The Capitol is a buzz. The partisanship and hostility is palpable. This is a “sea change” in Wisconsin and there are few folks in the middle. Most have taken sides. Aggressive recall efforts are under way.

I understand your sense of helplessness, your frustrations with your comparatively low pay already, and the feeling that you are “under attack” because you are a “public employee.” Some have said morale has never been worse. Fear and uncertainty creeps into our daily activities causing us to lose focus while creating considerable stress. I wish I could magically change that – I cannot. But I can do everything within my power to support you, to encourage you, to diligently defend you, and to stand with you as we go through this difficult time. You too can do some things. You can become engaged (you don't feel as helpless when you are doing something to fix problems or change things – even if you fail you will feel as though you tried). So exercise your democratic rights and express yourself (do it on your time and with your resources please) in a dignified and professional manner.

Finally, thanks for allowing me to be a part of these wonderful institutions. I feel excited and challenged (especially now!). This is our time. Though I don't really know most of you I have seen what you can do so I am confident that we will meet this challenge together and that we will overcome.

Please feel free to share your thoughts, concerns or ideas – thank you,

Ray