

Harry Peterson remarks before panel sponsored by PROFS on Proposal to separate UW-Madison from the UW-System

I appreciate the invitation to participate in this panel discussion today on this important topic.

I was an administrator at the UW-Madison from 1978-1990, all of that time in the Chancellor's office. During eight of those years my duties included lobbying for the University, and my last job here was as Chief of Staff for Donna Shalala. I have done legislative work in Idaho, Minnesota and Colorado as a higher education administrator. In Colorado I was a college president.

It is this background that informs my remarks today.

Those of us on the panel may have different positions on the creation of a public authority for the UW-Madison. However, there is no doubt that my fellow panelists and all of us in the room share the same goal—the continued viability and well being of a University we love.

I am also confident that we would all like to see the UW-Madison get some administrative flexibility that would make it possible to be much more efficient and cost effective. Donna Shalala called the State of Wisconsin a “world class bureaucracy,” with all of the irony that term implied.

I will divide my comments into three parts.

I will briefly discuss the proposal now contained in Governor Walker's 2011-2013 biennial budget bill.

Then I will describe what I believe to be virtually certain outcomes if this proposal is approved.

Next I will talk about what I think will be very likely outcomes if this proposal is approved. These comments will be based on what we know so far, from the language in the Governor's biennial budget bill.

I. Governor Walker's proposal to create an independent public authority for the UW-Madison.

Under this proposal, as you no doubt know, the UW-Madison would have much greater administrative autonomy and would have authority, under its new board, to establish tuition.

Effective July 1, 2011, the UW-Madison would no longer be part of the UW System.

A new governing board would be appointed, consisting of 11 appointees of Governor Walker and 10 appointees of the UW-Madison.

II. What I am virtually certain would occur if this proposal was approved.

The conflict over the allocation of funds for the public universities in this state would not take place among university colleagues in Van Hise Hall—it would be moved to the State Capitol. Our University would be in direct competition with the other universities for funds. We would be arrayed against 11 regional universities and the UW-Milwaukee—another doctoral university. While the UW-Madison is the biggest presence and influence in higher education in Wisconsin, we are not so big or so influential that we can beat 12 other universities and 13 two-year colleges, located in virtually every significant center of population in Wisconsin.

These universities used to be small, sleepy teachers colleges. Today they are neither small nor sleepy. During the 2009-2010 academic year the UW-Madison conferred about 10,000 degrees, while the other public universities awarded more than 20,000 degrees. These 20,000 graduates register and they vote. They are more likely to come from within Wisconsin and they are more likely to stay here. 57 of them are in the State legislature, compared to 23 UW-Madison graduates.

The competition for funding would very likely come from an existing pot of money—not additional money—and the UW-Madison would lose. This occurs in other states that do not have a unified system.

Politics, to a large degree, is a struggle over the allocation of resources. That is part of democracy—the question is where the struggle takes place. I want to keep the conflict out of the Capitol and have it remain among higher education colleagues. Also, not incidentally, the UW-Madison fares better under such a system.

The other universities in Wisconsin would, over time, add many degree programs that would not have been approved in the present, merged system. The newly constituted system would have no strong incentive to keep the regional universities within their mission. This occurs in other states that do not have a unified system. This has happened in Florida after the Regents system was dissolved. Universities in southern Florida are trying to emulate University of Florida and Florida State University. George Mason University in Virginia has experienced larger increases in funding, more than other research universities in that state, because they are in the politically powerful area of Northern Virginia.

Research has shown that the University of Georgia has been assisted financially by being part of a system, and that Ohio State University has been hurt by not being in a system.

The UW-System makes an enormous contribution to the UW-Madison by making allocations based on programs and not politics and keeping the other universities within their mission.

Another thing about which I am confident we are all certain of is that this legislative struggle will take place in a state capitol that is the most rancorous and partisan in anyone's memory.

In politics you start with your base of support. For the UW-Madison, while we have strong supporters around Wisconsin, our base is the Dane County legislative delegation. They are all in the minority party and will be during the resolution of this issue. If we learn from what has happened in the Capitol so far this year, it is possible that this entire debate and all the decisions about a public authority will take place without their participation.

Competition for funding in the Capitol, proliferation of programs at other universities and lack of influence of our strongest supporters are things that I am confident will occur.

III. What I think will happen if this proposal goes is approved. I will briefly discuss just two.

Board:

The bill provides for 3 year terms for the 21 board members. I have never heard of such short terms for higher ed board members. It took me more than 3 years to understand the UW-Madison and I was a full-time administrator! Three years is a more typical of length of terms for corporate boards.

If approved, this means that the board leadership will be inexperienced and board turnover will be so great that it will be difficult to establish a well functioning board that establishes a culture that can incorporate new members as they join the board.

If the Governor appoints 11 board members, with no Senate confirmation as proposed, the legislative branch of government will have no investment in the success of this board and there will be no shared responsibility. It will be an extension of the Governor's office.

If the UW-Madison appoints its 10 board members with members each chosen by the faculty, staff, WARF, the Wisconsin Alumni Association and the student body there will be a tendency for those chosen to feel that they serve to represent the people and organizations that sent them. They will come as something like UN delegates.

Contrast that approach with the UW System Board of Regents. With seven year terms there is turnover each year, but it is slower and more regular and board members can acquire an understanding of the complexities of higher education. Board leadership more typically comes from members who have served for several years.

The University of California system trustees serve 12 year terms; the University of Minnesota trustees 6 year terms; and Ohio State University 9 year terms.

The UW System Board term length and appointment process, nominated by the Governor and confirmed by the Senate, is the standard national model. This model can accommodate change with new membership, but provides important protections and serves as a buffer between political forces and the University. When merger occurred in the 1970s the two boards existing boards were blended. Under this proposal the Governor will appoint 11 board members, with no required consultation from anyone and no Senate confirmation.

I can only conclude that the decision about three year terms came from the Governor's office without higher education consultation because no one I know would have recommended it.

Do I need to tell you that this is a bad sign?

Tuition Setting Authority:

The bill provides authority for the new board of trustees to set tuition. There are important short term and long term implications if this becomes law.

First the short term. The Governor proposes a larger cut for the UW-Madison than the other public universities in Wisconsin than would be the case if the reduction had simply been made to the higher education appropriation. Why not? The new board can increase tuition to make up the difference. The summary of the Governor Walker's budget indicates that "modest tuition increases" will be supported for the UW System universities, which the summary anticipates will not include the UW-Madison.

The longer term result of tuition increases is that costs of attending will make it more and more difficult for a middle income family to send their bright son or daughter to our University. These increases will accelerate the current trend. This has profound implications for our 160 year mission to serve Wisconsin residents.

As the income gap between the UW-Madison students and the other public universities continues to grow this has serious effects on our political support. Remember, we will be increasing tuition while we are competing for public funding with 12 other universities.

In summary, the Governor who proposes to cut higher education by a quarter of a billion dollars with a disproportionate reduction at the UW-Madison, who wants to appoint a majority of our board without Senate confirmation, who has mandated political appointees to replace career professionals in state agencies to an unprecedented degree, wants to provide a dramatic increase in autonomy for the UW-Madison.

Am I the only person here who thinks that these pieces do not fit together? Am I the only person who thinks that the autonomy that is envisioned by Chancellor Martin is not the same as that envisioned by Governor Walker? Am I the only one who thinks this is a dangerous proposal?

The UW-Madison should stay in the System and aggressively pursue needed management flexibility, in concert with the other universities.

Thank you for the invitation and for listening.

Harry L Peterson
3-10-11