

University of Wisconsin – System Administration
2011-13 Budget Reduction Plan

Wisconsin Act 32, the 2011-13 Biennial Budget for the State of Wisconsin, requires the UW System Board of Regents to submit a plan to the Secretary of the Department of Administration (DOA) and to the legislature's Joint Finance Committee specifying the allocation of the funding reduction to UW System Administration. The reduction amount is \$2,460,100, which is the difference between the total amounts shown in schedule 20.005(3) for appropriation 20.285 (3)(a) for fiscal years 2009-10 and 2010-11, and the amounts shown in the schedule for that appropriation for fiscal years 2011-12 and 2012-13.

Also contained in Act 32 is a provision that UW System Administration eliminate 51.17 FTE positions as part of that \$2.4 million reduction. The plan is to be submitted in September for a 14-day passive review by the Joint Finance Committee.

While Wisconsin Act 32 included significant budget reductions to the UW System and to UW System Administration, it also provided many of the major management flexibilities outlined in the Wisconsin Idea Partnership. In view of these changes, University of Wisconsin System President Kevin Reilly appointed and charged a 19-member advisory committee with providing advice on the best ways to reshape the relationship between UW System Administration and the System's universities, colleges and extension networks. The President's Advisory Committee on the Roles of the University of Wisconsin System Administration was asked to provide advice on how to consider, carefully and strategically, ways to reshape UW System Administration in a manner that "preserves what is necessary and effective at System Administration, sheds what is best done elsewhere or not at all, and considers opportunities to better serve core stakeholders – the Board of Regents and UW System institutions – and the people of Wisconsin."

The Advisory Committee included four members of the Board of Regents, one former Regent, three Chancellors, two Provosts, three Chief Business Officers, a Chief Student Affairs Officer, a Faculty Representative, an Academic Staff Representative and a UW Student, as well as three representatives from UW System Administration. The meetings were facilitated by Terry MacTaggart, an experienced higher education leader and scholar who has served as the Chancellor at the Minnesota State University System, at the University of Maine System, and at UW-Superior.

After a four-month process of gathering input and information from constituency groups across the UW System, the Advisory Committee submitted a report to President Reilly containing 21 recommendations. Based on the input/suggestions emerging from these conversations, UW System Administration developed a plan, in accordance with Act 32, that addresses many of the Advisory Committee's recommendations while reducing annual funding by \$2,460,100.

Based on the recommendations included in the President's Advisory Committee report to: (1) balance UW System Administration priorities, staffing, and organizational units to focus on their service role to UW System institutions; and, (2) continue to implement and expand the Wisconsin Idea Partnership with its dual emphasis on seeking greater independence from

unnecessary and costly state regulations, and shifting authority and responsibility from System Administration to UW System institutions, this plan makes the following reductions:

- a) Reorganize Academic Affairs to eliminate an Associate Vice President position and others, recognizing changing priorities for service and moving to a more distributed leadership approach. This reorganization will involve streamlining the academic program review process, and strategically restructuring some institutes and consortia currently overseen by the Academic Affairs office. These changes overall will result in savings of **7.54 FTE and \$953,446** (\$650,550 in salaries and \$302,896 in fringe benefits).
- b) Delegate greater responsibility for leadership in Human Resources areas to institutions and reduce staffing in areas such as faculty and academic staff collective bargaining. These changes will result in savings of **4 FTE and \$481,879** (\$328,793 in salaries and \$153,086 in fringe benefits).
- c) Reduce staffing in Budget and Planning to recognize the efficiencies inherent in the Block Grant process. This will result in savings of **1.0 FTE and \$79,305** (\$54,111 in salaries and \$25,194 in fringe benefits).
- d) Down-size the staffing devoted to IT support for UWSA employees by decreasing services related to a legacy computer application, outsourcing support of applications until they are replaced, and taking advantage of technology changes to reconfigure data services and system development areas while refocusing efforts to support and provide web services as needed by UWSA staff. This restructuring will result in savings of **6.5 FTE and \$566,654** (\$386,636 in salaries and \$180,018 in fringe benefits). These savings will not impact service to the UW Colleges, Universities or Extension and will occur based primarily on technology changes resulting from a change in platform and support provided for Help Desk, and a flattening of the IT organizational structure.
- e) More effectively manage administrative support services across multiple departments within UW System Administration by taking advantage of new tools that provide greater independence in travel arrangements, document preparation, etc., and by seeking efficiencies that may occur through greater centralization of certain support services. Reduction of program assistant support will result in savings of **2.0 FTE and \$141,609** (\$96,622 in salaries and \$44,987 in fringe benefits).
- f) Cut executive level positions within the President's office to save **.5 FTE and \$131,904** (\$90,000 in salaries and \$41,904 in fringe benefits).
- g) Included in the reduction of 51.17 FTE positions are more than 29 long-term vacant positions that resulted from previous reductions where the funding was removed but the position authority remained in the hopes that in better times the system might be able to restore the functions if they were deemed to be a priority. Some examples of positions that were previously reduced include the only civil engineer position within UW System Administration, the Market Research unit, a director of Budget and Planning, accountant and auditor positions, and positions related to utilities management.
- h) Decrease overall support for supplies and expense in UW System Administration by **\$105,303**.

These changes result in overall savings of **\$2,460,100**. The table below shows the distribution of the reduction by class.

2011-13 Budget Reduction by Class

Class	Amount
Salaries	\$1,606,712
Fringe Benefits at 46.56%	748,085
Supplies and Expense	105,303
Total Reduction	\$2,460,100

Conclusion

The University of Wisconsin System is one of the most highly regarded systems of higher education in the country. It is a key driver of economic, knowledge, and community development in Wisconsin. Distinct, individual UW Universities, Colleges, and a statewide Extension, led and served by an efficient central office, can play ever more important roles in ensuring broad access to high-quality educational opportunities, advancing cutting-edge research, and extending life-enhancing outreach programs.

The \$250-million reduction this biennium to the UW System as a whole, including these reductions to the central administration, continues a trend of shrinking the capacity of the University of Wisconsin to support the needs of Wisconsin, at a time when the economic development, educational, and research opportunities that the UW System provides are most needed to create and sustain jobs in the state.

Thirty years ago, the UW received more than 12 cents of every tax dollar spent by the state. During this biennium, the UW will receive about 6 cents on each such dollar. This long-term disinvestment in higher education will need to be reversed if Wisconsin is to be a more competitive state in our 21st century knowledge economy--if our children and grandchildren are to receive the kind of education and have the kind of job opportunities they will need to prosper here.

Cutting such a significant share of any organization's budget means it has to forgo some activities and refocus on those that are top priority, while limiting as much as possible the liability resulting from the reductions. UW System Administration staff strives to lead and serve higher education institutions that are enrolling record numbers of students, and implementing budget cuts and staffing reductions of their own. The System Administration will be leaner, but is moving forward and will continue to deliver value to UW Universities, Colleges, and Extension.

With these cautionary notes in mind, UW System Administration is making an aggressive effort to re-invent itself, reshaping what it does and how it does it. This is largely a byproduct of the Wisconsin Idea Partnership and broad public support for new operational flexibilities provided to UW institutions during the 2011-13 biennial budget process. The objective is to unleash the potential of the UW System through reduced central management oversight and more

opportunities for entrepreneurial and innovative thinking and actions at each UW institution. Yet more flexibility from the state will be needed to complete this transition.