

UW-Eau Claire Chancellor James C. Schmidt
Testimony to the Joint Committee on Finance
Wisconsin State Capitol
March 3, 2015

Good afternoon, and thank you for the opportunity to speak with you about the proposed budget challenges and opportunities for UW-Eau Claire.

While I am fairly new to Wisconsin — I began my tenure as UW-Eau Claire chancellor on July 1, 2013 — previously my entire career was spent in Minnesota higher education. I have held leadership roles at technical colleges and community colleges and spent 14 years at Winona State University. During that time, I was involved in university restructuring, consolidation and changes designed to provide more autonomy for state institutions — much like what the Governor's budget proposes for Wisconsin.

I want you to know that I am not afraid of change. I believe that it is our responsibility as educators to assure our students and the people of Wisconsin that their investment in public higher education is a worthy one. I take seriously my responsibility to provide our students with an education that prepares them to be leaders, productive citizens and responsible individuals — and to do so effectively, efficiently and accountably.

We are doing that at UW-Eau Claire. I'm proud of our top-10 in the Midwest ranking by U.S. News & World Report — a ranking we've held for 20 years — but I'm even prouder of our citations by Princeton Review and others for providing a high-quality education at an affordable price.

Our graduates reap a return on their investment that's among the best in the Midwest. Forbes ranks UW-Eau Claire third among *all* universities, public or private, in Minnesota and Wisconsin for ROI. And we are lowest among all Wisconsin public and private schools in student debt, as well as one of the most efficient Midwest public universities, according to U.S. News.

On Thursday I will introduce Tayo Sanders to our Board of Regents. A UW-Eau Claire senior majoring in materials science, Tayo was just named a Rhodes Scholar — our second Rhodes Scholar in a decade, an unprecedented achievement for an institution like UW-Eau Claire. Tayo could compete with America's best because at UW-Eau Claire he had access to faculty mentors who gave him research opportunities, nurtured his talent and were committed to his success.

This teaching and nurturing is the heart and soul of what we do. It is why I am here today to find with you common ground to not only preserve but also enhance our public university system, the most powerful engine for future growth in Wisconsin.

I suggest we begin with something we all can agree upon. Every tax and tuition dollar is precious. Every dollar spent at UW-Eau Claire should support our core mission: to provide an outstanding educational experience for our students.

That is not to say we should maintain the status quo. To the contrary, we must think and act differently. Especially in the face of the largest proposed state budget reduction in our history.

The Legislative Fiscal Bureau estimates UW-Eau Claire's share of the \$300 million proposed reduction will be \$7.6 million. That represents a 23.1 percent reduction in our state funding for our general operating budget. Combined with a \$4.5 million reduction we are already managing, the total reduction to our general fund budget is \$12.1 million. Those reductions cannot be met simply by cutting office supplies or books in the library.

Our provost, Patricia Kleine, uses a metaphor I've unhesitatingly borrowed: We need to empty our university basket of all its contents and decide what we will put back in, not just rearrange the contents. We're doing exactly that at UW-Eau Claire. We are accelerating the change efforts I began when I arrived. We are engaging the entire campus to reimagine, redesign and rebuild a university that is even more responsive and effective.

Rearranging items in the basket won't do. Because 90 percent of our general operations fund budget goes to employee salaries and benefits, positions will be eliminated. This reality means we must fundamentally change the way we operate as a university. Let me tell you what we are doing at UW-Eau Claire.

I have asked every division on campus, regardless of funding sources, to examine their budgets and identify potential cuts of 10, 15 and 20 percent. It is not my intent to make across-the-board cuts — that's not leadership. It is my intent to identify potential change in order to be strategic about what we prune and what we grow.

I have also formed four rapid action task forces to make recommendations on initiatives that go to the heart of our effectiveness as a university. Two groups are working with faculty to rethink our curriculum so that we can strengthen its attractiveness to students while increasing our ability to graduate students in four years. They are looking at our academic workload so that we can better balance the teaching, scholarship, advising and service expectations of our faculty.

And two groups are looking at our administrative efficiency: how we can consolidate our services to students by providing a one-stop location for their needs, while also streamlining and centralizing our administrative functions.

All these efforts will culminate in reports to me by March 16. The speed is intentional. If we are to meet the challenge of the proposed budget reductions by July 1, we must have a plan to move strategically and with urgency.

In addition, I am leading an effort with my colleagues in western Wisconsin to also explore ways to realize savings and efficiencies through regional collaborations — sharing human resources functions with UW-Superior and exploring IT and business collaborations with the UW campuses in River Falls, Stout, Stevens Point and La Crosse.

And we must have the flexibility to do this.

Here is a list of reports to UW System or the state that we — either campus or system personnel — are required to submit on a triennial, biennial, annual, semi-annual, quarterly or “ongoing” basis. There are 85, give or take a few. Eighty five. Many of these are for the system, Ray

I have told President Cross, respectfully, that I will provide him with a list of UW System-mandated requirements that we intend to stop doing at Eau Claire because they take valuable time and resources away from our core mission.

I also want to do the same when it comes to many of the state requirements that stand in our way, but I need the authority to make those kinds of decisions.

That is why it is so important that the legislature grant public authority status to the UW System. I support the public authority model because it would provide us with the flexibilities we need to realize savings and reduce bureaucracy.

I also support the public authority model because I have experience with the kinds of changes possible under such a model. In the mid-1990s, I was involved in passage of the Minnesota Higher Education Mandates Reduction Act. Many of the ideas being proposed under the public authority model here are ones Minnesota adopted two decades ago. I can tell you those reforms resulted in positive changes on campuses. Public authority is not about transferring existing practices and procedures from the state to some new system authority. It is about unleashing the potential of our colleges and universities to make the innovative changes we need to better serve our students and our regions.

I want to share with you today the same message I have given to the legislators who represent our region of Wisconsin: The \$300 million proposed cut to the UW System is too much, too fast.

I am a realist — I’ve been around long enough to know that in this current environment, budget reductions will be necessary and we must do our share.

But we need time to thoughtfully and methodically implement change. If we move too quickly and misstep, we can jeopardize the student educational experience and our ability to implement future changes. Yes, let's empty the basket. But let's not throw the basket away. Let's not risk the long-term health of a nationally renowned university system for a short-term biennial budget fix.

In conclusion, I am committed to serving students in Wisconsin by improving the effectiveness of the university I lead. I ask you to help me do this by:

- establishing a responsible budget that provides us with the time to make the right choices;
- approving a dedicated and stable funding stream for UW System that enables long-term planning; and
- approving the UW System public authority so we can make the changes we agree Wisconsin needs.

Thank you for your time and attention.