

**Chamber of Commerce Legislative Breakfast  
Chancellor's Remarks  
Dec. 16, 2011**

Good morning and welcome to UW-Eau Claire. We are pleased you have joined us for this annual legislative breakfast we jointly sponsor with the Chamber of Commerce. Special thanks to our local legislators for coming to update us and answer questions — I know this has been an especially *eventful* year in Madison and we appreciate your commitment to public service.

I will be making some brief remarks this morning about the state of your university, but first this important announcement: I want to assure you that if you are parked in the Zorn Arena lot, no tickets will be issued until 9 a.m. — well after our scheduled adjournment.

This has been another exceptional year of accomplishment for your university and our alumni.

This week, we welcomed home alumni Justin Vernon and Sean Carey, and their internationally renowned musical group Bon Iver. Zorn Arena was packed to the rafters both Monday and Tuesday evenings for concerts by the four-time Grammy-nominated band.

As I sat listening to the music Tuesday, I couldn't help but marvel at their talent and creativity — talent and creativity that they innately possess but that was certainly cultivated through their college experience here. It was a pleasure for me to work with the city on the joint proclamation declaring December 13 Bon Iver Day in Eau Claire! And for those who think colleges should only teach vocational arts — Justin is doing quite well as an industry unto himself as a philosophy major at UW-Eau Claire.

Let me briefly list some of the many accolades we earned this year:

- UW-Eau Claire is again among the national leaders in the number of Fulbright fellows produced.
- We are again ranked among the top five public universities in the Midwest by U.S. News and World Report, as one of the best 100 values in higher education in the nation by Kiplinger's; and as a Best Midwestern College by Princeton Review.

- UW-Eau Claire ranks 10<sup>th</sup> nationally in the number of students who participate in mid-length study abroad programs.
- Two UW-Eau Claire students and a recent graduate were winners in the Wisconsin District Metropolitan Opera National Council Auditions, part of one of the most prestigious singing competitions in the United States.
- For the second straight year, a UW-Eau Claire student won the prestigious Interstate Oratory contest, the oldest intercollegiate speaking competition in the nation. Junior Patrick Martin is the ninth UW-Eau Claire student overall to win the award.
- Dr. Justin Patchin, an associate professor of criminal justice and internationally recognized cyberbullying expert, was among a select panel of researchers taking part in the White House Conference on Bullying Prevention earlier this year.

I could go on, but you get the idea. These are just a sampling of the exemplary work our students, faculty and staff have done this year — and I can tell you there are many universities who would love to be able to lay claim to any *one* of these accomplishments.

As you can see behind me, we are also making great progress on improving our aging facilities on campus. The new W.R. Davies Student Center, paid for entirely by our students, is on schedule for completion this summer.

I have repeatedly stated that we need to upgrade our facilities to match the quality of teaching and learning that goes on inside them.

Thanks in part to your support, next spring we will begin demolition of Campus School and begin construction of our new \$44.5 million Education Building, the first new building entirely paid for with state funds on our campus in 30 years.

Earlier this month, we presented our 20-year Campus Master Plan to the UW System Board of Regents, a plan that includes working with the greater Eau Claire community to build new arts and major events facilities that would be shared by the university and community.

From what I have told you thus far, and from what you see here behind me, one could easily conclude that all is well at your university. But it is not.

Over the years, you have heard me describe the unique culture here at UW-Eau Claire — one that is historically envied by the other UW campuses as well as campuses around the country. It is a culture of faculty and staff going far beyond expectations, of caring deeply about student learning and about one another. I have said that nurturing and protecting that culture is the most important thing I need to do — for if lost, it cannot be restored.

We are a mission-driven organization with dedicated employees who have always figured out ways to meet the needs of our students. This culture survived many budget reductions during both Republican and Democratic administrations. But I can tell you, it is not faring well under this, the largest biennial reduction in state support in memory, if not history.

Our state base budget reduction this year is nearly \$5.1 million. In addition, we have been instructed to prepare for an additional one-time budget lapse of \$2.3 million. That's a total of nearly \$7.5 million.

These latest reductions mark the— continuation of a decades-long decline in state support of higher education and a corresponding increased reliance on tuition.

In 2001, for example, the state provided 64 percent of our operating budget while tuition paid by students and their families comprised 36 percent. In 2011, those percentages are essentially reversed. Tuition now provides 67 percent of our operating budget and the state 33 percent.

When all fund sources are considered, including program revenue, auxiliaries and financial aid, the state-funded portion of our overall budget drops to 17 percent — I looked back at last year's speech and that figure was 25 percent then.

Let me provide you with some facts to consider:

By the end of this biennium — 2013, our employees will have had one pay raise totaling 1 percent in a five-year period. But that is only part of the story. During the past two years, employees have given back more than 3 percent of their pay each year through furlough days. This year, those same employees lost on average 8 percent of their total base compensation.

And despite wild-eyed estimates to the contrary, you may be interested to know that the median pay for what we call unclassified staff, which includes faculty and administrators, is \$53,000 per year. The compensation loss this year cost that average employee nearly \$4,500.

UW-Eau Claire is the fourth-largest employer in this community. The reduction in take-home pay for all of our employees represents \$5.5 million that will not be spent in the local economy this year. Multiply that over the next five years and the total is more than \$27 million, \$55 million in 10 years, and so on.

These most recent budget cuts are also resulting in our not being able to meet the needs of our students or the community. This spring we will employ fewer part-time faculty — which means students will have fewer course sections available to them.

Needless to say, morale — so crucial to achieving and maintaining our excellence — has been broken. The culture that has been a hallmark of UW-Eau Claire is no longer a strong enough reason for many key faculty to stay here at increasingly non-competitive salaries, and we are now seeing significant losses in faculty.

One especially instructive example is nursing, where our faculty losses are so acute that we have had to indefinitely postpone the start of the next accelerated nursing program, whose purpose is to educate qualified nurses for our robust local health care industry.

I tell you these things not to assign blame or to complain. I tell you these things because I believe that the excellence built here by generations is *right now* in peril.

I realize there are no easy answers — that there are many competing interests for state funds, and we are willing to take a fair share of the pain. But I also know that assigning the UW System

38 percent of the proposed state budget lapse when the university system represents only 7 percent of the overall budget is disproportional and, in my opinion, unfair to our students and families, who are increasingly shouldering more and more of the cost of their education.

I hope today we will learn how our elected officials can help our state refocus on supporting our students, our faculty and staff, and ultimately, our community and Wisconsin.

And on that happy note, I'll stop. This is work and livelihood, and it is important. But the holidays are a time for family and loved ones. So please enjoy a happy holiday season and join me in wishing for a New Year that will bring us all better news than 2011.