

Restructuring the UW System

Remarks by UW System President Ray Cross to the Board of Regents
November 9, 2017

This afternoon, I will present a proposal to restructure a major part of the University of Wisconsin System. It is potentially the most significant reorganization we have considered since 1971, the year of the merger that created this great System. Just as it was back then, our primary concern is ensuring that this university is prepared for what might lie ahead – 10, 15, 20 years down the road – and to ensure that we are in a position to best serve our students and the state of Wisconsin and its people.

As we consider the future, we must better understand our current environment, the challenges we face, and the things that matter most to our primary stakeholders, the people, communities, and businesses of Wisconsin. I would like to remind you of a portion of “My Dream” for the University of Wisconsin System that I shared during the introduction of our 2020FWD Strategic Framework. My dream for the UW System and for the State of Wisconsin includes a future where ...

- The people of Wisconsin, regardless of their past experiences or financial circumstances, have an opportunity to earn a college degree.
 - That means maintaining and even expanding access to the University, assuring affordability, continuing to simplify and streamline transferability, and providing enhanced advising so that we can grow the number of college graduates this state desperately needs.
- It includes a future where the communities of Wisconsin are places where people enjoy vibrant and well-rounded lives, and where community members are informed, engaged, and fulfilled.
 - The UW has long played a key role in supporting and enriching local communities – helping their economies grow, enriching their culture, and serving their citizens – making communities more vibrant. That must continue. We also know that vibrant communities attract millennials, families, people, and businesses with the big ideas and resources that Wisconsin needs to thrive in the future.

- My dream also includes a future where Wisconsin businesses and organizations are closely connected to the university through strong partnerships.
 - These mutually beneficial partnerships are critical. As we continue our efforts to grow the number of college graduates in the state, we must also help to connect more students with Wisconsin employers to keep valuable talent, ideas, and resources in Wisconsin.

To realize this dream or vision, we must better understand our changing environment.

It starts with hard facts. As we discussed last month, Wisconsin faces some very pressing demographic challenges. Over the next 30 years, 95% of Wisconsin's population growth will be people age 65 and older. Conversely, the state's population between the ages of 18 and 64 – the traditional workforce years – is projected to remain essentially flat. The anticipated growth rate hovers at about 1 percent. At the same time, the demand for college-educated workers is stronger than it has ever been and the demand is expected to grow significantly. The Georgetown University Center on Education and the Workforce projects that by 2020, 62 percent of jobs in Wisconsin will demand some post-secondary education.

The dilemma is clear: While demographics indicate we will have fewer working-age adults in the state, we will need more of them to be college-educated.

Exacerbating these challenges is yet another demographic reality – the population is increasingly shifting from rural locations to urban centers. Rural and smaller communities are facing significant challenges in their efforts to retain and attract people. This is a national trend and the upper Midwest states are experiencing this more severely than most.

Additionally, fewer and fewer students in rural areas are pursuing college degrees. According to the National Center for Education Statistics, while 42% of people ages 18 to 24 are enrolled in some form of higher education, only 29% come from rural areas, compared to nearly 48% from more urban areas.

Together, these trends reflect our changing environment.

The University of Wisconsin has a long history of adapting to change. From helping the state become an agricultural and dairy powerhouse ... or one of the country's leading manufacturing centers ... or home to the latest, high-tech enterprises for advanced imaging, the UW System has always been committed to working with and for the people of Wisconsin.

Now, to help invigorate the state's economy and enhance the quality of life for all of our citizens, we must find a way to maintain and expand access to our university and to keep it affordable for Wisconsin's students and families. We must work to ensure that the University of Wisconsin System is the place to go for the high school student in Racine, the single mother of two in Tomah who wants to return to school, the 45-year-old in Peshtigo who wants to change careers, the father in West Bend who wants to complete his degree but cannot quit his job to do so, and the aspiring entrepreneur in Marshfield who may have the next big idea. All these people have dreams – and it is the UW System's goal to help these dreams become reality.

Over the years, the UW Colleges have played a vital role in making these dreams come true by carrying out one of our core missions, bringing higher education to the people of Wisconsin as well as providing a place for them to come for higher education. With their distinct transfer mission, lower cost, diverse regional presence, and the devotion of their faculty and staff to this noble mission, the UW Colleges exemplify the UW System's commitment to providing wide access to affordable, quality higher education for all Wisconsin residents.

The enrollment challenges facing the UW Colleges are not new. We annually discuss all enrollment numbers and trends at Board meetings. Last month, we turned our attention to the 32% decline overall in the number of full-time equivalent students at the UW Colleges since 2010. On some campuses, the decline is over 50%. Clearly, the status quo is not sustainable.

The UW Colleges – under the leadership of Chancellor Sandeen – have enacted major reforms and restructuring efforts over the past three years to help manage their declining enrollments and budget reductions. These efforts have been both courageous and extensive, and we commend them for their leadership in the face of these challenges. We thank the faculty, staff, and students of the UW Colleges and their local communities for all of their hard work.

Unfortunately, with lower enrollments and limited revenues, it will become increasingly more difficult for some campuses to offer the array of diverse courses needed to sustain a quality liberal arts associate degree if we stay on the same path.

Therefore, we must consider whether the current structure of the UW Colleges within the UW System is appropriate. I submit that we have four restructuring options.

Option One: Do nothing and maintain the status quo. We could probably maintain the status quo for another couple of years – but that is it. Period. The changes already implemented in the UW Colleges have allowed them to continue to operate – but they are rapidly approaching the limits of viable sustainability. Waiting another couple of years would further drain available resources making any future transition even more difficult.

Option Two: Close a few of these campuses. Let me be blunt. Closing campuses would violate one of our core principles, our commitment to provide quality higher education that is accessible and affordable, no matter where you live in Wisconsin. The demographic challenges coupled with the need for a more college-educated workforce only reinforce the importance of continuing to prioritize access and affordability for our current and future students.

Furthermore, closing campuses would remove a vital economic and cultural anchor in these communities. Indeed, our presence in these communities has never been more important. We need them, and they need us.

Option Three: Merge UW’s two-year campuses with the state’s technical colleges to create a community college system. While this idea has been around for some time, it would be incredibly complex financially because of the different funding systems for the two entities, and there would be unknown ramifications for taxpayers. A merger with the technical college system also would require legislative approval, a potentially lengthy process.

Additionally, some argue that a merger with the technical colleges would detract from the distinct missions of each system. A focus on the liberal arts might distract from a technical education focus – or vice versa.

Finally, such a merger would compromise our commitment to maintain a meaningful UW presence in communities around the state.

Finally, there is **Option Four, the proposal I am presenting to you today.**

We are proposing to integrate the UW Colleges with a number of the UW System’s four-year comprehensive and research institutions. As part of a broader restructuring, we would move the Cooperative Extension division within UW-Madison and move the three remaining divisions of UW-Extension directly under UW System Administration.

The primary objectives of integrating UW Colleges with other institutions include the following:

- Maintaining and expanding access to higher education at the two-year campuses;
- Continuing to identify and reduce barriers to transferring credits within the UW System;
- Maintaining affordability and continuing current tuition levels at the two-year campuses;
- Further standardizing, consolidating, and regionalizing administrative operations and services;
- Leveraging resources and shared talent at our institutions.

The UW System has been engaged in ongoing consolidation and streamlining efforts as part of its Commitment to Operational Reform and Excellence (CORE) agenda. The intersection of the CORE agenda and the restructuring of UW Colleges and Extension will allow for even greater standardization of processes across campuses and the consolidation and regionalization of services. The primary purpose of this proposed restructuring is not to save money. However, over time, these efforts will generate savings due to greater operational efficiencies, while improving services provided to students, faculty, and staff. We all know that any restructuring, regardless of the type of organization, requires a settling-in period. It will take some time before we can identify actual savings.

We are here today to ask for your support in moving forward with this proposal.

We could continue to study this for months, or even years, before coming to a decision. In fact, some have suggested that is what we should do. We recognize this is a significant and important change for the UW System, particularly for our students, faculty, and staff, as well as the communities we serve. But the challenges we face will not change. Would additional debate change the demographic trends? Would further study generate more options? Would our commitment to the foundational principles of access, affordability, and community engagement change with further study? I believe the answer to these questions is no.

We might identify nuanced variations of the available options but we can do most of that during the implementation phase should the Board adopt this restructuring proposal.

This proposed restructuring is the one viable option that allows us to uphold our core principles while also serving the most pressing needs of our students and the state, both now and in the future.

It will give us new tools to move forward despite the challenges. It also will allow us to maintain the university presence in these communities, to bring new programming to some of these communities in

discipline-focused areas, and it will allow us to share regional resources to improve our efficiency and effectiveness over time.

I should emphasize this is a proposal to help us move toward a vision for what we want the University of Wisconsin System to be in the future. We do not have a fully developed plan with all the details worked out. This is a proposal; it is not a plan. Should you approve this restructuring proposal, we will move forward to engage shared governance including students, faculty, staff, and administrators, as well as business and community leaders and other stakeholders to develop a comprehensive plan and implementation process.

Within that context, I would like to lay out – in broad strokes – the basics of what we are proposing. As mentioned, the cornerstone of the proposal is the integration of each of our 13 campuses within UW Colleges into a four-year comprehensive or research UW institution, effective July 1, 2018. You can see on the map the proposed realignments. A variety of factors were examined in coming up with these pairings, including geographic proximity, transfer rates, existing partnerships, programmatic compatibility, and the opportunity to grow local communities. The UW Colleges Online would remain a separate entity within its move to UW System Administration.

Our proposal also calls for divisions currently within UW-Extension to be reassigned to UW-Madison and to be moved to be under UW System Administration.

More specifically, the Cooperative Extension division of UW-Extension and the UW-Extension Conference Centers would become units within UW-Madison, the state's land-grant institution. This alignment would be consistent with the practice in other states, including Illinois, Iowa, Michigan, Minnesota, Ohio and Pennsylvania, just to name a few. It also provides greater opportunities to connect the important applied work of Extension agents with evidence-based research at UW-Madison. Other divisions of UW-Extension would be moved as units under UW System Administration. These include:

- The Division of Business and Entrepreneurship;
- The Division of Broadcasting and Media Innovation, which includes Wisconsin Public Television and Wisconsin Public Radio; and
- The Division of Continuing Education, Outreach and E-Learning (CEOEL), including the UW Flexible Option.

Let me reiterate some of the key aspects of this restructuring proposal:

- **All UW Colleges campuses will continue providing associate degree programming.** In fact, we want to bring more classes to our two-year campuses, including possibly offering upper-level courses on site, where demand exists. Our goal is to expand the opportunities available to students and to attract more students into the educational pipeline. Keeping campuses open also means we maintain the UW presence in communities across the state – where we can continue to focus on unique regional needs, while leveraging the strengths of the entire UW System.
- **Credits will transfer to all UW institutions – as they do now.** The goal is to make the process even easier and smoother – which should help students advance through and complete their college experience at whichever UW institution they choose.
- **Tuition levels at the UW Colleges will stay affordable.** Post-integration, we would maintain the existing (lower) tuition levels for classes currently offered at the two-year institutions, as part of our ongoing commitment to access and affordability.
- **Administrative operations and services can be further standardized, regionalized, and consolidated** – reflecting our CORE (Commitment to Operational Reform and Excellence) agenda. This will generate savings in the long term due to greater operational efficiencies.

We recognize the proposed restructuring of UW Colleges and UW-Extension is generating a lot of questions and anxiety. While this proposal is clearly in the early stages, we have developed a restructuring website – there is a link on our homepage (Wisconsin.edu) – where we try to provide as

many answers as we can. We will continue to update this webpage as new information becomes available. We also provide a place for people to submit questions and comments that would help to further inform and refine our planning efforts.

Again, if this Board approves the proposal, we will proceed to fully engage with shared governance stakeholders – our students, faculty, staff, campus communities – as well as other stakeholders, to explore this opportunity in greater depth and develop the plan and implementation process. In fact, if the Board approves this proposal, the Steering Committee will meet very quickly to begin the implementation planning process.

This proposal empowers us to meet the challenges we face while upholding the UW System’s longstanding commitment to provide wide access to affordable, quality higher education for all Wisconsin residents.

I have always believed in the mission and the responsibility the University of Wisconsin System has to ensure we are a university focused on meeting the needs of our students, the state of Wisconsin, and its people – now and in the future. I believe this proposal will help us do that, and I am asking for your approval to help keep moving Wisconsin forward.