

1972-73

Retrospect and Prospect: a Sense of Direction

A Special Report to the Board of Regents of the University
of Wisconsin System by President John C. Weaver and Senior
Vice Presidents Donald E. Percy and Donald K. Smith.

Platteville, Wisconsin
May 11, 1973

University of Wisconsin System



OFFICE OF THE PRESIDENT

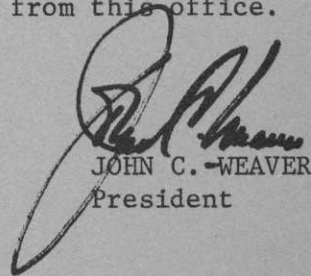
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This Special Report was given the imprimatur of the Board of Regents when the Board, after hearing the report, unanimously adopted a motion approving it in principle and directing that it be included as an addendum to the official minutes of the May 11, 1973, meeting.

The report, therefore, provides an approved framework, based on a foundation laid by the merger law, for strengthening and remodeling the University of Wisconsin System.

Our task is now more clearly defined. We need and will welcome the help of all members of the university community and public officials as we continue to build for present and future citizens of Wisconsin.

Copies of the report are being supplied to all campuses and also are available from this office.



JOHN C. WEAVER
President

RETROSPECT AND PROSPECT: A SENSE OF DIRECTION

(Presented at Platteville, Wisconsin, Friday A.M., May 11, 1973)

When we were engaged less than a year ago in preparing this Board and System for the development of its first biennial budget, we sought, insofar as our perceptions permitted, to convey to everyone a sense of perspective and a "sense of the possible" -- an understanding of what had to be done before major changes could be rationally set in motion -- an appreciation for the complex sensitivities of the inter-institutional and inter-personal relations that were so deeply imbedded in the tasks that lay ahead.

I want to remind you today of some of those tasks, and of the importance we assigned to the virtue of patience, and to low profile efforts to prepare the way for needed change. My personal conviction then and now can be stated simply: We cannot talk about where we are going or not going, until we first determine where we are, and what we ought to become. Such determinations should not and could not be made precipitously. If catastrophe was to be avoided, they could not be based on "impressions" or observations gleaned from random visits to campuses. They should not derive from myths, however prevalent, or judgments which were predominantly subjective. Such fundamental decision making clearly called for intricate and interrelated steps. . . steps made with a prudence born of having objective facts in hand, and steps made with a caution that wisdom would associate with trail finding in unknown territory. These were also steps made more, not less, difficult by an awareness of their inevitability and by the highly personal nature of a University, both in its functioning and in its services.

In such a situation it surely falls to your chief executive officer to give leadership to the formulation of a framework for constructive change, to articulate the prerequisite steps for the change desired, and to assess the likely results of the process, before recommending major directional alterations. In so doing, your President must engage in the simultaneous process of managing the System under present conditions, and studying current dimensions and demands. Let me summarize how your administration has attempted to meet some of these responsibilities and where we think we now stand in regard to the needs we see confronting us.

Let me run through a selected list of abbreviated one or two sentence capsules -- in each instance: a statement of immediate task; then a companion statement of the status of our effort to date.

A. IMMEDIATE TASKS:

1. To consolidate the staffs of two former system central offices, assume the additional responsibilities of CCHE, and design an effective statewide administrative organization.

STATUS OF EFFORT TO DATE:

1. Consolidation was achieved and the current administrative design was accomplished during the first year. Many central operations were transferred, along with their budget, to the operating Units.

2. To find a means of harnessing the collective expertise and allegiance of fifteen Chancellors to System policy and planning concerns, without seriously eroding maximum appropriate institutional autonomy.
3. To face the unique organizational dilemmas posed by merger for Extension and Center System programs.
4. To meet and respond to special and immediate interests of Regents, state officials and other groups in such areas as: Affirmative Action, Minority/Disadvantaged Programs, Educational Services for Correctional Institutions, Veterinary Medicine, Legal Education, Economic Development.
5. To develop realistic and meticulously documented operating and capital budget requests for the System.
6. To develop an annual budget for 1972-73 by integrating two essentially separate processes.
7. To convert budget staff detail into a single, computer based system.

2. A cabinet of Chancellors has been formed and operates in a regular staff relationship to the President. A separate Council of Chancellors has been created for collective consultation and action independent of Central Administration.
3. An Extension Study Committee and a Center System Consolidation Task Force laid the groundwork for organizational responses now being shaped for final Regent action.
4. The Regent record is full of responses to each of these interests: An Affirmative Action effort is in high gear; Minority/Disadvantaged assessment and new program efforts are under final review; task force reports on correctional institutions and economic development are complete and forming the basis for responsive action; recommendations on veterinary medicine and legal education have already been accepted by this Board.
5. These two herculean and inordinately sensitive efforts account for the largest single investment of central staff time and ingenuity during the past twelve months.
6. This integration was accomplished and a budget was presented and approved last May and June.
7. Immediately following the passage of the 1972-73 budget, conversion to a single system was initiated and was completed by December, 1972.

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8. To work with the Merger Implementation Study Committee in designing a single statutory charter for the new System.

B. AMONG OUR LONGER RANGE TASKS:

1. A moratorium on new academic program development was needed to give tooling up time for responsible review and evaluation procedures.
2. A thorough review of existing missions for each campus and University Extension was mandatory.
3. Both one and two just listed, presuppose the designing of Systemwide, academic program review, program auditing and long range program planning, that takes into account student demand and societal, state and national manpower requirements. Needed new programs should be recommended for development within appropriate units; obsolete programs and ones unnecessarily duplicative or inappropriate to given unit missions, should be recommended for reduction or total elimination. This clear expectation of Central Administrative function can be met only after setting in place a sophisticated staff capability the equal of such effort.
4. A need is clear for an assessment mechanism for departmental performance, faculty workload and other related program considerations.

8. This was a major effort, requiring extensive staff support from Central Administration.

STATUS OF EFFORT TO DATE:

1. Such a restraint was imposed in 1972-73 as one of the first acts of this Board and is still in effect.
2. An 18 month effort is now nearing completion; Regent review and action will be sought by July, this summer.
3. The instruments and principles for setting System priorities and providing a basis for statewide academic program review and planning, are in their final stages of formulation and should be ready for Board discussion and approval, along with new unit mission statements, this summer. Central staffing, accomplished through base reallocations and not the use of new funds, is about completed.
4. The biennial budget effort included a first try at departmental four-year profiles; a first faculty activities survey was completed and publicized; a majority of program improvement needs have been met, though not without pain, through base reallocation.

5. A rationale for resource allocation among institutions needed to be defined and adopted; steps toward assuring comparable funding for comparable programs had to be brought into being.
6. It is mandatory that there be development of common accounting, payroll and purchasing procedures; as well as a definition of Central and Unit responsibilities, and the creation of a policy format for general administrative matters.
7. Particularly basic has been the need to design and develop a Central Information System, including data element dictionaries, basic data files and a single Central Data Request Form.
8. Work has progressed with faculty representatives of two former systems to find a means of assuring faculty input on System policy considerations; a similar dilemma continues to be worried over, relative to student inputs.
9. Very much needed are the development of common system positions concerning: faculty personnel policy; academic staff personnel policy; transfer policy; University-VTAE relations; and other specific matters.
10. We have compelling need to monitor "productivity cuts" to the end of maintaining maximum educational quality and capability.
5. Your Central Administration recommended and you Regents approved a rationale for ✓ resource allocation which provided ✓ for four clusters of institutions; ✓ the 1973-74 annual budget studies (Analysis Papers AP-2 and AP-3) ✓ address comparable funding ✓ considerations.
6. The General Administrative Policy Paper series, now nearly complete, is designed to spell out System policy and to define roles. The topics include those mentioned plus research administration
7. Such a Central Information System has been designed, and data element dictionaries and Central Data Requests are now published for three of five data bases (Curricular, Student and Facilities). The remaining two, Personnel and Financial, are in the final stages of preparation.
8. A first effort at collective faculty consultation last year did not sustain itself; a second effort (an Interim Faculty Consultative Council) is ready for Regent consideration. Student input is at best sporadic and not broadly representative; we continue to explore information and input networks for policies affecting students.
9. A new transfer policy is now being implemented; joint discussions with VTAE continue, and an experiment in two localities is being implemented; improved information access for prospective students is being launched; a faculty personnel policy document is nearing completion; a System sick leave policy is under development; a fee policy for class audits is ready for Board action.
10. The Units are achieving budget and staff reductions in ways designed to protect program quality and capacity. The traumatic termination of tenured faculty for budget reasons will, indeed, already is, producing heavy stress in many situations.

These task and effort lists are not exhaustive, only representative of the major emphases we have pursued to date. They represent a retrospective look at where we have been; a progress report on where we find ourselves at this troubled moment. They are necessary background for what follows -- namely an effort on the part of the two Senior Vice Presidents and me to give you some sense of the directions in which the System is tending based on our first steps and the budget realities of 1973-75. Before Don Percy and Don Smith take a look at the future in their respective areas of responsibility, there are two companion topics I would like to review for the perspectives they can provide. These are: "change" and "staff adjustments amid change". Unless you sense the often contradictory elements which accompany change and the related staff adjustments, you cannot fully appreciate the magnitude and complexity of the challenge of effecting change in our universities.

C. OBSERVATIONS ON "CHANGE"

One of the curious aspects of "change" as it affects the complex and only recently woven organizational fabric of a major university system, is that there are those who see success in terms of delaying or forestalling change, while others feel anguish because changes do not come fast enough. Consider the range of fears and expectations experienced in these days by faculty, students, System or campus administrators, elected officials, Regent stewards of the enterprise, and the representatives of the Fourth Estate who observe and report our birth pangs and first exploratory steps. Each of these constituencies sees the University of Wisconsin System from a different location. Each sees change as either constant, cleansing, catastrophic or at best chaotic. Some see change as necessary, others see it as threatening or destructive. Some savor change as indicative of progress, others see it as a mask for lack of progress. Very few at this point in time see value in the status quo, for fast-moving, inexorable "change" has in effect become the status quo. We must change we are told because society and its needs are changing; yet we are urged to hold firm to the essence and independence of our universities.

Large organizations tend to resist change. As one observer notes, there is an "organizational inertia" that seeks to continue doing what we have always done and risk the danger of "being overcome by yesterday's tasks and rendered sterile by them." Yet those who work or call for change in universities soon learn it will require patience as well as persistence. . . a subtle hand rather than a heavy hand... a low profile rather than an omnipresent one. In short, meaningful and ✓ beneficial change within the complex and fragile human enterprise we know as a ✓ University is more often the result of careful, thoughtful evolution than of ✓ abrupt change for the sake of change, or even abrupt change born of superficially ✓ beguiling, but often over simplified and destructively misguided motivations.

There are those who most urgently feel that the "honeymoon", if indeed, there can be said ever to have been one associated with this System marriage of ours, is over, and that the time for a quickened and sterner pace of facing reality is at hand. If mounting, but countervailing pressures, and a dissident chorus of increasingly insistent voices ranging in tone from the strident and disenchanting, to the plaintive and the discouraged, are to be taken as the hallmarks of validity in such a claim, it will be hard to slow its pace. While all of us are understandably anxious to make those timely moves that will assure enduring progress and accomplishment, surely we must hope as well to temper our moves with restraint, lest in our haste to move forward we raise the heavy hand that crushes, or the swift sword that is wielded without wisdom.

D. STAFFING ADJUSTMENTS AMID CHANGE

Change in universities invariably affects people because above everything else, a University is people. In June we will be reporting to you on budget-related personnel actions. Traditionally the emphasis of this kind of report has been positive -- a catalogue of new appointments, of those meriting promotions, and of ones deserving salary recognition for meritorious service. In an era of retrenchment and reduced growth rates, we are gloomily preoccupied with what we forewarned would be inevitable staff reductions; all of our University constituencies are understandably deeply concerned about the realities of such adjustments.

✓ Our internal morale situation is not made better by the fact that our laws ✓ and regulations do not allow us to wait and announce all personnel decisions at ✓ one juncture. There are specified times for nonrenewal and termination notices for certain of our newer probationary staff and statistics regarding these incremental activities have been requested by many internal and external observers, whereas in the past, personnel changes were of limited interest. There is, as a result, confusion and speculation. Our dilemma relative to next year can be summarized chronologically; it will be instructive to subsequent years as well:

1. In December 1972 and March 1973 we were required under current policy to give nonrenewal notices to those first and second year non-tenured probationary staff on fixed term appointments who cannot, or will not, be given new contracts for next year. These individuals are not the only ones affected by budgetary, workload and performance evaluation realities, but under notice policies they are the first to learn how those realities affect them.

We were pressed to release summary statistics on this group of personnel decisions, and following their release came a series of media articles and editorials, protest letters and public criticism, emphasizing the perception that we were making "all of the cuts" among the younger, non-tenured staff without regard to program or competence considerations.

2. During the same December to March period, the Governor responded to our request for transitional relief affecting a second group of staff -- tenured faculty, and probationary faculty with over two years service, whose positions or retention could no longer be supported, but who were entitled to a full year's notice of termination. ✓ The major purpose of the transitional fund was to allow us support for one year in ✓ which we could then provide required notice. The fund was also to allow one year to evaluate departments with only one or two faculty members (the irreducible minimum necessary to offer a given academic program whatever the enrollment size).

The announcement of this transitional fund, coupled with the notices to first and second year people in December and March, was incorrectly interpreted by some observers to reinforce the suspicion that we would adjust to budget, workload and performance needs by strict adherence to seniority considerations, and without reference to program considerations.

3. Our attempts to indicate to interested parties, both internal and external that the December and March notices, and the transitional relief fund, did not tell the whole story, led to the inevitable question: Will other staff be released, including tenured staff? We had no honest alternative but to reply that there would be further staff and position reductions, including administrators, tenured faculty, academic and institutional support personnel, and classified employees. This announcement, which only repeated what we had said last June, September and November, led to another round of reactions, such as:

- ✓ A. State officials accused us of "budget scare tactics";
- ✓ B. Student and faculty groups stepped up pressures on Chancellors and legislators when the so-called "scare tactics" turned out to be real;
- ✓ C. Union organizers began to appear on campuses and offer their services as a means of coping with adversity.

4. All of this brings us to the present juncture which I would characterize in the following way: In spite of warnings and public statements made by System Administration beginning as early as last summer, our somber difficulties seem to have come as a surprise to most, if not all, concerned. We are receiving letters from legislators, faculty and students. Some are thoughtful, many are angry and bitter. All express dismay, to say nothing of concern for the integrity of distant administrators who are perceived to be insensitive and callous to University traditions and the very dire human problems of threatened individuals.

✓ Some letters say, in effect: "We didn't realize you were talking about impacts on our campus!" One, on some days is tempted to believe that there must be a pervading myth that somewhere there exists a 28th campus of this System-- a campus on which can be visited all of the productivity, retrenchment and workload reduction requirements. Each campus seems to think another in the System is better off, and they are counselled by external observers and officials that this whole mess could have been avoided by something called "better management."

✓ Regretably, no amount of "better management" could make the present budget realities go away, and precipitous unilateral surgery by Central Administration would create far more dangers to the body corporate than our present careful, deliberate and delicately balanced approach to the problem.

The most persistent theme raised from all quarters is this: we know the enrollment workload is not what was expected; we know about the requirements for productivity and base reallocations; but, "Can't you get across to the public and their elected representatives that we need these people in spite of this?"

I would submit that: (A) We have tried our level best to establish the fact that a university is not a goods-producing industry susceptible to work measurement and output standards. This has been persuasive to no one. (B) Were we to try to make the case that faculty should be retained even when student workload drops below estimates, we are conscious of the fact that this would mean higher unit costs, inefficiency of operation and we would surely be criticised for contributing to unjustified unit cost variations within the System.

It could, at best, appear to be a no win situation. Very few are happy and atmospheric conditions in this new environment would have to be described as both tense and intense!

Speaking to the principal concern, let me close my comment on the subject of staff adjustment, by making clear, that with the full support of the chancellors, budgetary, workload, performance and competence judgments relative to staff have been, and will be, more a matter of programatic need than any simplistic last-in, first-out methodology. Above all, be it said for the record, that we who comprise the System Administration, are people with great and unresolved, if not unresolvable, problems, but we are also, I hope, people of sensitivity and compassion. Certainly we are persons to whom both the institutional and the individual human welfare are very dear, indeed.

E. A LOOK AT THE PRESENT AND FUTURE IN GENERAL AND ACADEMIC

AFFAIRS ADMINISTRATION.

Having said all of these things, we are going to talk further this morning about change--change in the way we do things and changes in the things we do. We know the expectations for merger; not all of them are achievable, nor even immediately desirable, in the simplified terms with which they are described. Nonetheless, meaningful and attainable goals can be established, and success in reaching those goals will rest heavily on the extent to which full faith and confidence can be built and maintained in those professionals assigned the task of pursuing them.

The mere fact that we make these statements and bring together in a single presentation the strands of a carefully designed and painstakingly pursued directional thrust carries within itself a definite risk. A risk that, between concurrent but polarized assessments it will represent to some "too much, too soon", and to others "too little, too late". We have chosen to run that risk on the grounds that it is our responsibility to make clear our problems and our intentions.

Donald E. Percy

Our *sense of direction* can be discerned from a brief review of the CHALLENGES, GOALS and TASKS to which we have committed our staff efforts in general administration.

A. CHALLENGES

In simplest terms, the challenges facing us in general administration of this recently-formed, multi-campus System consist of the following:

- ✓ 1. Finding an acceptable common terminology for describing the activities encompassed by 27 campuses and a statewide extension
- ✓ 2. Designing a program classification structure and a compatible accounting system which does not defy lay understanding
- ✓ 3. Complete design and implementation of a Central Information System to build required data bases for student, curricular, facilities, financial and personnel information to support System responsibilities.
- ✓ 4. Establishing basic Systemwide administrative policies in consultation with Units to guide on a minimum necessary basis their effective functioning both individually and as parts of a whole.
- ✓ 5. Implementing a budget development process for both annual and biennial operating budget requests and biennial capital budget requests which afford a full understanding of Unit plans, objectives, performance and decision-making for Central and Regent policy and programmatic review.
- ✓ 6. Providing adequate fiscal management controls as well as administrative audit and monitoring mechanisms that spot checks selected activities in depth and monitors all ongoing activities on a "management by exception" basis
- ✓ 7. Responding to trebled demands of external agencies (state and Federal) for increased accountability, increased participation in our internal affairs and decreased funding appetites
- ✓ 8. Effecting the above while seeking to convince all of those affected that we are not (a) insatiably bureaucratic, (b) oppressively anti-institutional, and (c) unnecessary.

Subsumed within or amid the above challenges are a mixed bag of perturbations in the "body academic" reflected in new and not-so-new jargon of the 1970's--- affirmative action, collective bargaining, 1202 commissions, higher education financing, student power, faculty power, electrical power (energy crises), equity (a mote or gleam in the eye of the beholder), risk management and crisis management, Roth and Sinderman, and the four horseman of the academic apocalypse: adversity, productivity, homogeneity and tenure density.

B. GOALS AND TASKS FOR 1973-74

At the President's urging we have established the following goals and tasks for completion in 1973-75. Some, as you will see, are under development, nearing completion or partially in effect. Others are in concept or under study. All are designed to meet the "challenges" in a responsible and forth-right way. All are in one way or another interrelated and most represent "new ways" of doing things.

Though they are not often perceived internally this way, they seek to sustain the essence and the excellence of our universities by clothing them in a carefully woven fabric of fiscal integrity, accountability and...credibility; a fabric which protects them from the "elements, without unduly constraining their movement or their autonomous comforts."

1. Terminology: The act of "defining" always involves two steps: Classifying the item to be defined with like items and then differentiating within the class. Simple terms and phases such as "contact hour, faculty, sick leave, net assignable square feet," and the like involve definition exercises requiring extensive consultation across the System. We are beyond the half-way mark at this juncture in a variety of areas and hope to complete most by July, 1974.
2. Program Classification Structure: We have opted for a PCS designed to facilitate inter-institutional and eventually inter-state comparison and tailored it to fit Wisconsin's public universities. Regents were introduced to our PCS in the 1972-73 annual budget and in the biennial budget development. The necessary reclassification and interface with accounting activity codes will be completed on an interim basis in 1973-74 and finally in 1974-75.
3. Central Information System: Identified by President Weaver as the key to a data base approach to management and monitoring of the System, the Central Information System (CIS) has been under development for the past twelve months. An interim Planning Management Information System (PMIS) has been used in the meantime to facilitate Central decision making.

The CIS will draw from five data bases: Curricular, Student, Facilities, Financial and Personnel. The first three are in final form and a Central Data Request now in the hands of all Units.

A complete description of Central's information system, its planning-management tools and computer modeling-simulation techniques will be presented in a separate report and highlighted at a subsequent Regent meeting.

For now it can be said that we are on our way to having one of the most advanced information systems of its kind and that the principal capability that will derive from it is improved decision making. It must also be said that there are concerns whenever data are collected in any enterprise; concerns among the suppliers of the data that it will be misused, misunderstood or misrepresented as telling the "whole story" when in fact much of what occurs in academe cannot be quantified. Central Administration is under obligation, therefore, to use its information system wisely, fairly and carefully.

4. Basic Systemwide Administrative Policies: We have established a General Administrative Policy Paper series to convey the minimal set of Systemwide policies necessary for more effective and consistent functioning. A principal function of each paper is to define respective central and Unit responsibilities for such things as accounting, payrolling, research administration, data processing, fiscal reporting and purchasing.

A special policy guideline series has been created for affirmative action and equal employment matters.

Our goal is to have the minimum module of System administrative policies in effect by the end of 1973-74. A major task awaits us following Legislative action on the merged System statute, one we have already been at work on---System faculty and academic staff personnel policies. This will be a joint effort with Academic Affairs.

5. Biennial Budget Development Process: The System and its Regents are nearing completion of their first effort at biennial budgeting for the fourth largest public university system in the country. The effort was a landmark one and the documentation the most extensive in Wisconsin history. The Board then participated in development of responses to Governor's policy issues and moved to a consideration of a five-part budget request. All of this became prologue for the Governor's budget narrative and subsequent documentation for the Department of Administration, the Legislative Fiscal Bureau and the Joint Finance Committee. The biennial capital budget request was similarly, developed, documented and reviewed with the State Building Commission as well as Regents, Governor and Joint Finance involved.
6. Annual (1973-74) Budget Development Process: Board members have received and, as recently as yesterday, begun to discuss the documentation and policy implications of the 1973-74 annual budget. The basic documentation and three step Regent review process were described in Report #1 addressed to the Chairman of the Business and Finance Committee and other Regents. In May you are considering the self-supporting enterprises budgets. In June we will bring you a presentation on budget-related personnel and salary matters and, hopefully, in July we will bring you the basic budget summary for action.

Many of the policies affecting the 1973-74 annual budget were either approved by the Board previously (in the Biennial Budget Policy Papers) or mandated by the Governor and Joint Finance Committee in the course of their review. Still others derive from Central Administration Analysis Papers (the basic medium in which we will identify problems, explore alternatives and recommend a particular solution.)

Because the CA Analysis Papers published to date have a particular bearing on "directions" for the next biennium, I want to highlight them in this presentation:

(a) AP-1.R: Financing Self-Supporting Enterprises (Short Title)

The "R" suffix is a reminder that the development of this paper did not come easily. But then, the problems faced on many campuses in finding resources to support fixed and ongoing operating commitments for these various self-supporting enterprises are not easy either. Having defined the problem (it is familiar to most) and explored alternative solutions, we have settled on a combination of steps we feel necessary to address those problems.

We first recommend identification of permanently (through 1980) excess space in dormitories and other facilities and assumption of its annual costs by the State. In addition to this (and accentuated by continued absence of state relief) we must seek a variety of other means to recover present and projected deficits. Principal among these in terms of impact on students and other users is the establishment of a mandatory facilities reserve fee (as a part of the segregated fee) on those university campuses that don't yet have such a charge (four already do). Without this resource, we cannot begin to stabilize these student-related, self-supporting operations.

(b) AP-2: Resource Allocation in the University Cluster (Interim Procedure)

Responding to the Regent action in Biennial Budget Policy Paper #5.1 we have taken a first step toward phased adjustments where resource allocation patterns within a given cluster contain differentials that cannot be justified. A careful reading of AP-2 is necessary to fully understand the methodology. Briefly stated, we have established economy of scale targets and support zones for the eleven universities in the (nondoctoral) University Cluster. Those institutions whose unit costs for instruction and for academic support fall outside the support zone will be adjusted to within it on a phased basis, either through reallocation of base funds among institutions or moderation and redirection of additional enrollment workload funding.

★ The methodology will operate in the 1973-74 budget to transfer funding intended for Parkside and Green Bay (who are above the support zones) to Superior, River Falls and Platteville (who fall below the zone).

(c) AP-3: Physical Plant Costs in the (Nondoctoral) University Cluster

Following a series of management reviews of physical plant operations and our base budget reviews as a part of the biennial process, and in light of workload funding reductions by external budget review agencies, Central Administration felt a zero-base justification and common funding methodology were in order within the University Cluster.

AP-3 effects a major change in physical plant funding methodology for custodial maintenance, building maintenance, minor remodeling and other support costs (excluding ground maintenance and protection and security which are still under study). The 1973-74 annual budget will provide for a fixed minimum module allowance for each university and comparable funding on a square foot basis for actual footage. Page 2 (Table 1) of AP-3 depicts the methodology and related base budget adjustments. Again, funding tended to move from Green Bay and Parkside to other institutions.

(d) AP-4: Segregated University Fees Assessed to Students

This paper is Central's response to the Presidential-and-Regent-directed study of segregated fees in the System. It traces their historical development, compares differing fees and practices, notes Regent policy (Biennial Budget Policy Paper #1.3) and recommends an annual budget policy for 1973-74 (see page 17).

(e) AP-5: Fees and Tuition in 1973-74

This is but the initial paper on this topic. It notes the requirements of Regent policy (Biennial Budget Policy Paper #1.2), the Governor's budget recommendations and the Joint Finance Committee endorsements. A new tri-level methodology is mandated for 1974-75 and this raises a number of policy questions for 1973-74. AP-5 defines the problem, identifies the issues and suggests possible directions Central is considering. A subsequent paper (AP-5.1) will follow with specific dollar recommendations for Regent consideration in June or July. For now, AP-5 affords some understanding of what lies ahead.

(f) Other Annual Budget Policies (See Part I of Instructions)

Most of the other administrative policies undergirding the annual budget development process are evident in Part I of Central's budget instructions to the Units (which appears as Tab 4 in your Annual Budget Notebook). We have placed margin indicators on those sections of particular policy and programmatic significance. Not the least among these are:

- p. 4 The call for annual budget objectives
- p. 6 An explanation of allocation categories
- p. 7 Advice on classification
- p. 10 Faculty salary increase guidance
- p. 13 Budget-related personnel actions
- p. 16 Base reallocation procedures
- p. 21 New and Changed Services proposal procedures

(g) BOOK C: Auxiliary, Segregated Fee and Hospitals Budgets

This is a summary of an extensively documented Systemwide annual budget for self-supporting activities (no State funds). It reflects the policy positions mentioned in AP-1 and AP-4. It was reviewed yesterday by the Business and Finance Committee and your approval will be sought later today.

7. Fiscal Management and Administrative Audits

Vice President Lorenz and his controller staff are establishing a framework for effective fiscal management. This activity relates to all the other tasks mentioned above. Vice President Winter and his staff will expand their administrative audit and consulting efforts with individual Units during 1973-75.

8. External Agency Demands

No one can predict, beyond the fact of their certainty, to what extent external agencies (state and federal) will continue to expand reporting and other requirements on the System. We are seeking in design of our information system (Task 3) to anticipate as many demands as we can predict. At some point we must face the question of how much is too much in this arena.

9. Postscript on Central Administration

As indicated to you in a Presidential memorandum earlier this month, the Central Administration is nearing completion of a restructuring, priority reordering and retrenchment effort of its own. Our final report in June or July will indicate the extent to which we have consolidated offices and functions and reassigned or expanded individual responsibilities. Our priorities have also been re-ordered during the current year and for 1973-74. We have elected to concentrate more of our limited resources in academic affairs and reduce efforts in other areas. Special requirements associated with affirmative action and equal employment opportunity have caused us to invest more resources in that endeavor. To do all of this we have begun to retrench in general administrative areas, and increase delegation to Units. As indicated by the President we must restrict the functions of Central Administration to the higher priority tasks and the special assignments placed on us by the Board.

INTERIM REPORT ON POLICY DEVELOPMENT IN ACADEMIC AFFAIRS

Paper #1: An Overview

This is a summary listing of major tasks undertaken or in process in the Office of Academic Affairs. Separate summary reports have been prepared on two areas of major concern to the Board and the System involving the most difficult and complex problems. These are:

1. The organization of University Extension and Outreach Activity.

The summary report is preliminary to the full policy statement which has been brought for Board review and possible action at this meeting.

2. Policy and procedure concerning academic program review.

The summary report both highlights actions already taken, and forecasts the process on development of System and Unit missions and System and Unit program review procedures and decisions.

In addition, the Board should be aware of the status of the following tasks:

1. Development of faculty personnel policy.

The goal is a draft policy ready for Regential discussion and action after July 1, and passage of a merger implementation statute. The policy must be integrated with provisions in the statute. Draft policies were initiated by academic affairs and UFC, and circulated for comment from the Chancellors and campuses. A joint TAUWF and UFC Committee is preparing a further draft, based on present inputs. This will be reviewed in Academic Affairs and the Regents Education Committee, with further review from the Chancellors and campuses.

2. Development of non-faculty, academic staff personnel policy.

This will be undertaken by a System task force as soon as the UFC-TAUWF faculty personnel policy draft is available. Preliminary assessment of issues has been undertaken in Academic Affairs and at several of the campuses.

3. Sick leave policy.

A System task force has prepared a draft sick leave policy for academic personnel. Its relationship to State support for income continuation insurance remains unclear. Faculty initiative is seeking legislation which would place responsibility for the faculty and academic staff sick leave policy unambiguously in the hands of the Regents, while providing state contribution to income continuation insurance.

4. Transfer policy.

The Board has enacted a System transfer policy. Implementation is in process, with monitoring of the fit between System policy and Unit policies, and development of Unit matrices on course equivalents.

5. Admissions policy and procedure.

Steps have been taken to prepare System materials on academic opportunities for use by counselors and advisors, including the secondary schools. We hope to have for the first time a comprehensive listing of major and sub-major opportunities in all Units; comprehensive data on admissions requirements and procedures.

An experiment with a cooperative telephone educational advising service (HELP) has been undertaken.

Development on a unified admissions application and financial aid application form has proceeded.

6. Audit fee policy.

The Regents have enacted a policy for citizens over age 65. A policy on audit fees for those under 65 is ready for Regents discussion and possible action at the June meeting of the Board.

7. Common calendar.

After discussion with the Academic Vice Chancellors, Academic Affairs is preparing alternative mock-up calendars setting common schedules for the opening of classes by term, and insofar as possible for the completion of instruction. These will be reviewed by Unit administration and faculties pursuant to developing a proposal for the Regents. Uniformity will not be sought at the expense of variety in academic program design, but substantial reduction in the amount of variety on calendars now approved should be obtainable.

8. VTAE relations.

The Joint VTAE-University Committee on Academic Programs is now addressing issues of coordination on transfer policy and outreach programs.

The experiment in "fee rationalization" and program cooperation at Fond du Lac and Rice Lake is being undertaken.

9. Other task force reports.

The Report of the Task Force on Corrections has been analyzed and a recommendation concerning it prepared for Regents discussion and possible action at the May 11 meeting.

The Report of the New Markets Committee in Milwaukee has been received and is under review. The review has been complicated by the task of relating analysis to the new System's policy on University outreach activity.

The Allied Health Task Force Report has been received and distributed to the Regents. Review and recommendations on their report is underway.

10. Veterinary medicine.

On the basis of the Regents' position adopted at the April meeting of the Board, effort is now concentrated on legislative support for proceeding this

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fall with the University of Minnesota contract, further development of planning for Phase II of a regional approach, and with a further study in depth of a Wisconsin College of Veterinary Medicine. Support for contracting with Iowa State or others in fall, 1974, will also be sought.

11. Preparation of the 1973-74 budget.

Academic Affairs is participating in the review of allocations of new funding, such as that for minority/disadvantaged programs, and other New and Changed Services recommendations in Unit budgets, including base budget reallocations.

12. Policy on university-sponsored educational materials.

A policy governing rights and responsibilities relating to various kinds of educational materials developed with use of University resources is in the final stages of review, and should be ready for review by the Education Committee in June.

13. Development of Interim Faculty Governance arrangements.

A recommendation on the interim arrangement is to be discussed for possible action at the meeting of the Education Committee.

14. Clearing house function.

Academic affairs is serving as a clearing house for position vacancies and persons seeking positions in relation to staff reductions. Information is distributed and possible opportunities within the System for persons seeking continued employment are identified.

15. Development of inter-institutional agencies and functions.

Academic affairs is participating directly in the development of the Sea Grant Program, the Water Resources Council, and the Great Lakes Research Facility Council. These programs represent efforts to establish a System base for important inter-institutional research and public service programs. Priority of attention is also being given to the development of regional consortia for cooperation on academic programs, and for developing mediated instructional materials.

Academic affairs is participating actively with the Committee on Institutional Cooperation (CIC) composed of the Big 10 Universities and the University of Chicago, on a number of projects related to program cost comparisons, sharing of unique research equipment, studies on ways of reducing high cost, low enrollment programs by a consortia approach.

Paper #2: Policy and Procedure for Academic Program Review

Background:

A major goal of the merged University of Wisconsin System is to maintain and enhance the quality and public contributions of its programs, while holding down costs to the maximum extent consistent with quality and the public good.

better able to judge and choose concerning their own lives, their relations with others, and their responsibilities as citizens in a democratic society. Occupational competence and adaptability were added values for the persons achieving such growth, and for their society.

There is no reason to believe that the United States or Wisconsin will have less need in the future than in the past to have as many of its citizens as possible seek to improve their competence in language and communication, in mathematics, and in understanding themselves, their society, and their environment.

The State of Wisconsin and the University System should continue to affirm the historic commitment of our society to make opportunity for higher education in the basic arts and sciences as available as possible, in all areas of the State, to citizens who seek and can profit from instruction. To this end, all Units of the System should maintain high quality and appropriate breadth of instruction in the basic arts and sciences, for all who seek and can profit from such instruction. The "need" for such programs may be judged by examination of effective student demand. The public good engendered by such instruction is a more competent citizenry generally.

2. A more complicated calculus must be applied to judging the need for University programs which are professional in nature, and linked to preparation for particular occupational roles in society. This is particularly the case if the programs are also high cost. The need for such programs should be judged in terms of: (a) student demand and the current output of graduates; (b) projections of market demand for graduates; and (c) projections of societal need where particular occupational roles are not clearly defined, but seem likely to flow from the condition of our society.

The matrix provided by such analysis can be used to identify programs which are high priority areas of expansion. Thus, if there is a deficit in University output related to market demand; and a surplus of student demand relative to University capacity, the particular programs should be targeted for possible expansion. If there is a surplus of University output relative to market demand, and a deficit of student interest relative to capacity, the program should be targeted for possible reduction or elimination. Caution should be exercised, however, in using market data as the basis for rapid decisions on program reduction or growth. Long-term trends in societal need are a more significant factor in academic program planning than year-by-year fluctuations in the job market.

A final fiscal note:

1. It would be wise not to get overly optimistic about the money to be saved by reducing or eliminating some programs. The process of elimination often displaces students into related programs with similar or higher unit costs, and savings are automatically absorbed by the flow of student demand. The program of elimination should be pursued, however, to the end of increasing the responsiveness of the University to society.
2. Major avenues of cost saving in the System are already being applied, and their continuing application will provide the best avenue for controlling unit costs. These are:

- ✓(a) elimination of low enrollment courses;
- ✓(b) consolidation of moderate enrollment courses;
- ✓(c) control over course proliferation;

- (a) By July, 1973, a preliminary reformulation of the System Mission, including the planning principles that identify high priority goals, will be brought to the Board for discussion and initial action. At the same time, Unit Mission Statements, together with Unit planning principles stating high priority goals will be brought forward. These documents will set the frame of reference for program review at both the Unit and System. The statements will be preliminary in the sense that they will be subject to continuing review and modification in the light of new information and Unit inputs.
- (b) Concurrent with Mission and Planning Statements will be a statement of criteria to be used in program evaluation, incident to decisions on continuation, expansion, reduction, or elimination.
- (c) All Units have been asked to and have now established faculty long-range planning committees, or their equivalent, to work with Unit administration on the development of planning priorities, and the conduct of program evaluation.
- (d) Using information from the Central Information System, the Office of Academic Affairs will identify for Units those programs, departments, or functions which should be targeted for early review. Identification will be based on stated criteria such as: low or declining enrollments; high costs; service relationships within the Unit; relation to equivalent opportunity at other Units; relation to market demand or societal need, as known.
- (e) With Unit consultation and the concurrence of the Regents, Central Administration will target for review multiple programs in the System where such multiplicity seems unresponsive to considerations such as cost-effectiveness, student demand, or market or societal need. Preliminary decision has been made to work first in the area of master's degree programs in the System. Central review of targeted programs will be conducted, using first the mechanism of internal faculty review, and in appropriate cases expert external review, to the end of formulating recommendations for the Regents on the elimination of programs judged to be duplicative or unproductive.
- (f) With Unit consultation and the concurrence of the Regents, Central Administration will designate or identify programs for development or expansion based on the criteria of student demand, societal need, state and national manpower needs, and contributions to the cost-effectiveness and qualitative goals of the University.

A preliminary look at the process of identifying low priority programs, and determining programs which should be eliminated or reduced:

1. Some recent "market data" show that college graduates at the baccalaureate level are increasingly finding employment in occupations for which a college degree is not a prerequisite. This phenomenon does not support the view that fewer people in the United States should seek college degrees.

Public institutions of higher learning in America were developed for the purpose of providing opportunity for citizens to develop themselves intellectually and personally. In realizing these goals, they would be

To achieve this goal, all programs and functions of the University System are now or will be subject to continuing review to the end that: (a) maximum efficiency is achieved in all programs and functions of the System; (b) needless duplication of programs is eliminated; (c) low priority programs are either curtailed, or phased out; and (d) resources made available through economies and program reductions are made available for needed, high priority efforts.

We believe this goal to be consistent with public expectation concerning the merged University of Wisconsin System. It is also consistent with the budgetary and program planning actions taken in the last year, and with the plans now developed for program planning actions next year and in the years to follow. This is an interim report on where we now are, and where we are headed.

Academic program review in the preparation of the 1973-74 budget:

1. In the coming biennium, Units have faced the task of preparing budgets within reduced support levels which flow: (a) from the productivity reduction in the base budget of the System; (b) from shortfalls in enrollment growth projected as the base for the 1972-73 budget; and (c) from absolute decline in the enrollments at some Units.
2. A complete report on programs which have been eliminated or curtailed in this process will be made at the July meeting of the Board. However, preliminary reports from the Units support the following generalizations:
 - * (a) Budget reductions have not been applied in an "across the board," manner. Rather the several Units, in accordance with budget instructions, have selectively identified low priority programs, have curtailed programs, and in some instances eliminated programs and units.
 - (b) Units have sought to protect classroom instruction by reducing administrative and support service costs.
 - (c) Reductions in faculty numbers have been heavily based on analysis of teaching loads; where enrollments have declined for a particular Unit, staff reductions have followed. In some instances the process of selective reduction has been used not only to "balance the budget," but also to provide additional help for high priority programs with increasing enrollments.

Academic program review in 1973-74, and following:

1. As a matter of policy, the University System will continue the process of selective reduction or elimination of lower priority programs in 1973-74, and thereafter. This process will be pursued to the end of establishing a University System capable of controlling costs, while "growing from within" in terms of high priority missions and public need.
2. The process of academic program review will be increasingly shared between the Units and Central Administration in the coming year and thereafter, in terms of the following assumptions:

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- ✓(d) development of appropriate Unit workload policies;
- ✓(e) elimination or consolidation of small departments and small administrative units;
- ✓(f) investment in mediated instructional systems planned on the basis of maintenance of quality in the context of cost-effectiveness;
- ✓(g) re-examination of curricular and instructional practices in high-cost areas;
- ✓(h) maximum development of consortium and inter-unit cooperative activity to enhance program quality while controlling costs;
- ✓(i) increased use of joint appointments (inter-Unit and with other agencies).

Paper #3: Summary on Extension-Outreach Organization

You have received the policy recommendation on the Organization of University Extension and Outreach Activity. This will be presented for discussion and possible action at this meeting of the Board. This memorandum is a brief summary of the more important implications of the proposed policy.

The basic goals of the policy are: (a) to maximize participation by all Units of the University in Extension and outreach activity; (b) to assure statewide coordination of such activity both to marshal resources in terms of priorities, and to eliminate duplication and waste.

To achieve these goals, we have sought to define both the campus role, and University Extension's role in relation to off-campus credit courses, non-credit educational events, mediated instruction, and the external degree. The definitions are intended to give maximum latitude for Units, within the constraint of coordination, to involve themselves in extension and outreach activity.

While trying to "free" as much energy and initiative as possible, we have built in the controls to achieve effective planning. These include: establishment of an information system which will uncover both program duplication and program gaps; creation of Statewide planning committees in major program areas to establish annual work programs; creation of a Statewide Administrative Council to review work plans, and advise on policy relating to implementation of plans; establishment of controls on appointments to maximize the use of joint campus-extension appointments in staff development.

Major directions charted or reinforced in the policy are:

- ✓ 1. The establishment of Regents Statewide University to plan and initiate a statewide external degree program in cooperation with campus Units.
- ✓ 2. The priority given to development of consortia as the academic base for both external degree development, and mediated instruction.
- ✓ 3. The effort to emphasize outreach as an integral and important mission of all Units and faculties, and not just the mission of special Units.

Enactment of the proposed policy will provide the basis for major administrative efforts to achieve the goals established. Administrative guidelines will be needed: on the funding basis and fee basis for off-campus activity; on the refinement of geographic responsibilities of Units; on the initiation of the new statewide planning committees and the Council; and on the initiation of planning and pilot activity by the newly created Regents Statewide University.

The policy will succeed on the basis of a new level of cooperation and joint effort by all Units of the System. We believe the commitment to this approach has been made by all Units.