



The Year of Unfortunate Events

During 2005, UW-Madison endured a string of bad news that frustrated its leaders and strained relations with state legislators. Can the university calm the stormy waters? Or are there more clouds on the horizon?

By Michael Penn MA'97

It is not the case, as some college guides suggest, that one can stand in front of Bascom Hall and look all the way down State Street to Wisconsin's capitol.

Because of a slight crook in how the hill aligns with the street, the view doesn't quite work out, leaving the capitol's granite dome off in the periphery. Some say it's an accident of poor planning. Others claim that whoever placed UW-Madison's administration building got it just right, reflecting the fact that Wisconsin's lawmakers and its flagship university are eternally looking past each other, never quite seeing eye to eye.

That was never more true than in 2005, a particularly miserable year for UW-Madison's legislative relations. In a six-month period,

three UW-Madison faculty were convicted of felonies while on payroll, and a top administrator's seven-month paid leave of absence turned into a messy public ordeal that drew ire from the other end of State Street. To make matters worse, the bad news spilled out just as legislators deliberated the state's budget for the next two years, making the university an easy target for cuts.

In the hot glare of the public spotlight, the venerable institution looked a little worse for wear. Its budget was snipped, its administration called out publicly, and its generally impeccable reputation in the state took a hit. Even John Wiley MS'65, PhD'68, UW-Madison's normally unflappable chancellor, seemed happy to put the year behind him.

"There is no denying that it was a rough year," he said in January.

But as the calendar turns and the headlines fade, questions linger. How did the university find itself in such a jam? Was it just bad luck, or are there deeper issues to face? Will the wounds heal?

More than anything, the events of 2005 raise concerns about UW-Madison's relationship with state government, an often-rocky arrangement that many observers say has grown especially uneasy in recent years. Even before recent events, a series of tight state budgets has created a rift, leading university officials to doubt legislators' commitment to higher education, and legislators to doubt the university's commitment to

Wisconsin would deal with a relationship that seemed to be coming apart.

BY THE TIME 2005 STARTED, THE SEEDS for a bad year had already been planted. Two months earlier, Wiley had a conversation with Paul Barrows, his vice chancellor for student affairs, that would set things in motion. Wiley thought Barrows could use some time off.

In September, Wiley learned that Barrows had been involved with another employee, a relationship that Barrows said began and ended consensually. The situation posed no apparent conflict with university policy, but in November, Wiley was told that the relationship had been with a graduate student, and that many staff and students seemed upset about it. Believing that Barrows had shown poor judgment and could no longer be effective, Wiley asked him to step down as vice chancellor and agreed to his request for some time off to sort out some personal issues. He told Barrows to use vacation time and sick leave accumulated during his sixteen years at the university. Shortly thereafter, Wiley announced that he was reorganizing the student affairs division, eliminating the vice chancellor position entirely.

By June of last year, Barrows was still on leave at his \$190,000 annual salary, leading a handful of state legislators to ask why he hadn't returned to work. Initially, the university cited med-

stories swirling, Wiley placed Barrows in a program specialist position in the provost's office, a fallback job with a nearly \$73,000 annual salary that was outlined in Barrows's appointment with the university. So-called back-up positions exist at many universities and are commonly offered as enticements for tenured faculty who take on administrative roles, the idea being that they wouldn't want to serve as deans or chancellors if it meant risking their teaching positions. Barrows, however, held a non-teaching academic staff position, and some wondered why a career administrator would need such a benefit.

After hearing of the arrangement, Governor Jim Doyle '67 told reporters that he was "very frustrated," adding, "We really have to be concerned about a system where this is going on." Others were more blunt. In an interview with the *Milwaukee Journal Sentinel*, state representative Robin Kreibich, a Republican who chairs the state assembly's committee on universities, said, "I can't think of another state agency or private sector [employer] that would provide a safety net for highly paid administrators that screw up."

A legislative audit later revealed that 1,092 employees throughout the UW System were guaranteed back-up positions, about half of which are required by state law. The UW Board of Regents has since suspended the practice for new appointments and ordered a study of



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financial austerity. While these debates are taking place in just about every state house in the country, the situation in Wisconsin has turned more rancorous — and more ominous — than most. At a time when states and public universities must come together to confront new economic realities, the question became how

ical reasons, but journalists soon discovered that he had been well enough to apply for jobs at other universities during his absence. That same month, two women accused Barrows of sexual harassment, although neither filed a written complaint.

With public attention mounting and

alternatives, such as fixed-term contracts for administrative appointments.

But back-up appointments weren't the only personnel crisis university officials would face in 2005. Between March and August, three UW-Madison faculty were convicted of felonies, one for sexually assaulting three young girls, another

for e-mailing sexually explicit material to a teenage boy, and a third for stalking. Because state law prohibits the university from firing an employee solely on the basis of a criminal conviction, all three

who sought to curb spending. Republicans, who hold a majority of seats in both houses of Wisconsin's legislature, voted to slice an additional \$35 million from the UW System's share of state funding,

address these issues head on," says state senator Sheila Harsdorf, a Republican who chairs the senate's committee on higher education. "When something happens on a UW campus that generates



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cases remained wrapped up in university investigations and appeals even months after the professors were sentenced for their crimes. Two of the professors used vacation time to collect their pay while in jail, ultimately being placed on unpaid leave. The third was placed on administrative leave with pay, pending appeal.

Although they recognized the university's due-process obligations, some lawmakers were incensed that the university couldn't rid itself of felons any faster. After a summer in which the papers had been full of stories about paid leaves and guaranteed back-up jobs, it seemed to confirm the worst stereotype of cushy university life, in which faculty and staff enjoy privileged status far beyond that of most citizens.

"Our personnel system is very complex," admits Wiley. "When people have looked at the details, with very few exceptions, they understand the decisions we made. But at the same time, it's difficult to understand how someone can be charged with a felony, given a fair trial, convicted, and thrown in jail, and we still are grinding our civil law process months later."

By this February, one of the professors had been fired, and the firing of a second was awaiting approval by the Board of Regents. The third case remained in appeal.

For the university, the flood of bad news couldn't have come at a worse time. The stories broke during negotiations on the state's new two-year budget, providing ready-made talking points for those

erasing most of a modest increase proposed by Doyle.

"There were some serious cases of mismanagement, and at the same time, we had a very tight budget," says John Gard, the Republican speaker of the state assembly. "In some people's minds, it made it easier to hold the line on some of the university's spending."

The governor restored most of the funding in the final budget, leaving in place only a \$1 million cut directed specifically at UW-Madison's administration, which lawmakers had written in — apparently as a reprimand for its handling of the personnel cases. But while the issues ultimately may not have cost the UW much money, they exacted a bigger price in public perception. The UW System submitted to a legislative audit of its personnel policies, and an independent investigator was appointed to study how the Barrows situation was handled. The latter report faulted the chancellor for failing to adequately monitor Barrows's use of sick leave, which has led the university to change how days off are requested and approved.

More significantly, the cases raised doubts about the university's credibility in the eyes of some of its constituents. Many legislators felt that its initial response to the personnel issues was slow and provided incomplete answers about the steps taken to address the situation. "The appearance was that the university was somewhat indifferent to it and tried to hide things," says Gard.

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headlines, people do begin to question how the university is being run. Really, what's at stake is the integrity of the system."

But some say that the cases played into the hands of a group of legislators who were determined to score political points at the university's expense. Even before the Barrows situation became front-page news, a small but aggressive group of representatives, predominantly Republicans, were attacking the university on a number of fronts, ranging from how much it spends on administration to its stand on divisive social issues such as stem-cell research. Last spring, some of these legislators led the criticism of a UW System policy to give chancellors a seven-hundred-dollar-a-month allowance to pay for their automobiles. In their eyes, the Barrows case became another prime example of administrative bloat.

"There are five or six guys that have just been beating the tar out of the university system. They look for opportunities to ding the UW every chance they get," says Republican state senator Scott Fitzgerald. "But does it make the system more accountable? Absolutely. So I'm not going to say that those guys aren't doing their jobs."

UW-MADISON IS NO STRANGER TO legislative discord. In the 1930s, Governor Philip La Follette and Progressives in the legislature engineered the firing of UW President Glenn Frank, who they felt wasn't liberal enough. More than a decade later, conservative allies of U.S.

Senator Joseph McCarthy sponsored a legislative commission to investigate subversive and Communist activities on campus. And in the true spirit of the public interest, the legislature intervened in 1953, after professors voiced opposition to the idea of sending the Big Ten champion to the Rose Bowl every year, by slashing the UW's budget and condemning the faculty.

"There have always been legislators who criticize the university. That's nothing new," says Jack O'Meara '83, who handles legislative relations for an organization of UW-Madison faculty. "But particularly in the past year, it's gotten worse."

"Legislators seem to feel that the university is easy pickings right now, and they've tended to pile on more than necessary," says Mark Bugher, director of the University Research Park and a former official in the administration of Tommy Thompson '63, JD'66. "It's not that the university should be exempt from criticism. But this kind of show-boating is really frustrating."

What's changed? Observers point to the legislature's shift in power from Democrats to Republicans, as well as a general tide toward heightened partisanship, as laying the groundwork for more adversarial relationships. Certainly, the university's past political fumbling also

UW history, That cut was eventually offset by a \$150 million tuition increase.

But nothing has affected the landscape more than Wisconsin's perennially tight financial picture. Squeezed on one side by the rising cost of obligations such as Medicare and secondary education, and on the other by a tax base that has remained virtually flat in recent years, legislators have little flexibility to make the state's budget add up, leaving them no choice but to reduce spending in other places, including the UW System.

"For the past forty years or so, the university has been kind of a sacred cow around here," says Fitzgerald, chair of the legislature's joint finance committee. "They never really had to face scrutiny about how they were spending their money. But when budgets got tight, the UW got thrown on the table."

The pressure has been most acute during the past decade, as Wisconsin's manufacturing-based economy stagnated and the state ran up a deficit that reached \$1 billion in 2002. After small increases during the late 1990s, UW-Madison's state funding fell by nearly 10 percent from 2001 to 2004. When special-purpose appropriations such as building maintenance and utilities are factored out, in 2005 the state allocated \$255.1 million to UW-Madison to support the university's core mission, slightly

their public universities, allowing them to replace public support with higher tuition and private gifts. While taxpayers footed more than half of the bill for public colleges and universities in the 1980s, today they provide only about 30 percent of their budgets. And as in Wisconsin, economic conditions have made the current picture especially bleak. Nationally, per-student state support fell by 18 percent between 2000 and 2004.

The problem is not that states have suddenly decided to hate their universities. Budget realities are simply making them hard to afford.

"Public universities are caught in this perfect storm" between a growing pile of demands on states and a national appetite for tax cutting, says former UW System president Katharine Lyall, now a scholar with the Carnegie Foundation. In a new book, *The True Genius of America at Risk*, Lyall and former UW System chief budget officer Kathleen Sell PhD'95 argue that these fiscal and political winds are causing "de facto privatization" of America's top public universities, making them look and operate less like publicly accountable institutions.

The authors note, for example, that state funding now accounts for only about 8 percent of the University of Virginia's budget and less than 7 percent at the University of Colorado at Boulder.



This larger issue of accountability seems to underlie many of the recent squabbles between UW-Madison and state leaders. Most of the debates boil down to a simple question of control: to whom — and on what issues — is the university answerable?

deserves some blame. Many legislators remain chilled by the 2002 decision by the Board of Regents to freeze admissions at all UW campuses in response to Republican-proposed budget cuts. Some Republicans were further irked that university officials seemed to make little fuss the following year, when Doyle, a Democrat, sliced the UW System's funding by \$250 million, the largest budget cut in

less than in 1995. Taxpayer money, which in the early 1970s accounted for nearly half of UW-Madison's revenue, now funds only about 19 percent of the university's \$2.1 billion annual operating budget.

But the situation is not unique to Wisconsin. Confronted by many of the same budgetary quandaries, many other states have rolled back commitments to

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down to a simple question of control: to whom — and on what issues — is the university answerable?

The dynamics of privatization exist at UW-Madison, as well. From 1995 to 2004, while state funding crept up by 13 percent, the university's overall budget grew by 68 percent. Its endowment more

hard on the university when it does not appear to be serving the public good.

Some legislators argue that the university is dismissive of voter concerns on social issues, such as stem-cell research and protecting students' moral and religious freedoms. State representative Daniel LeMathieu was furious that a

accessible and affordable education.

"Virtually every state in the nation has these kinds of issues, and those things will tend to ebb and flow," says Aims McGuinness, a scholar for the National Center for Higher Education Management Systems. "The real question is, can legislators and the university



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than tripled, and it ranked among the top three public universities in the amount of research grant money brought into the university by faculty. To some, the fact that the state is no longer the prime source of funding entitles it to have less say in how the university conducts its business.

"It's one thing to be told what to do if the state is providing 50 percent of the overall support for the university, but it's another when that support is below 20 percent," says Bugher. "At some point, you have to ask, 'Does the legislature deserve to have a role?'"

But to others, those statistics reinforce fears that UW-Madison is growing to look more like a private commodity. Because research grants and private gifts are usually designated for specific purposes, the university has supported its core educational mission as state money has waned largely by transferring costs to students. Tuition for in-state students has more than doubled in the past decade, up nearly 66 percent from 2000 alone.

As much as Wisconsinites may like the fact that UW-Madison is a world-renowned research institution, public-opinion surveys have consistently shown that what they value most about the UW System is its mission to educate state citizens. Rising tuition, along with increased competition for admission on most UW campuses, is shutting more families out of the system, and legislators sense that there is more willingness to come down

UW-Madison student health clinic ran ads in campus newspapers just before spring break last year that reminded students to get prescriptions for the morning-after pill. Saying that the ads showed how "public universities are out of touch with average Americans," he quickly introduced a bill, which has passed one house of the legislature, that would prohibit university health clinics from dispensing the form of birth control, which he considers "chemical abortion."

In another extreme example, Democratic representative Marlin Schneider MS'79, a longtime critic of the university who once derided it as being full of "white-wine-drinking, quiche eaters," last year introduced legislation that would mandate, among other things, a maximum weight for textbooks and where parents can park during move-in. Although his so-called student bill of rights never came to a vote, it struck some around the university as a sign that there were no limits to legislative pestering.

In all of these discussions, there is a tension between public accountability and micromanagement that can jeopardize both the university and the state. Move too much in one direction, and states infringe on universities' ability to be flexible and to capitalize on new funding opportunities that can leverage the state's investment. Move too much in the other, and public universities may begin to drift away from their commitments to

come together and work toward a common purpose?"

McGuinness, who advises states on how to retool their partnerships with universities, says the fundamental problem facing Wisconsin is that manufacturing-based economies don't have good prospects for long-term growth. "Unless the economy is revitalized, state revenues are going to continue to be stretched," he says. "Really, the conversation needs to be about the role that the university plays in the future of the state."

Leaders at both ends of State Street recognize the need to focus on the UW's role as an economic engine, if for no other reason than that making the state wealthier would ultimately help bring more money to the university, as well. Sheila Harsdorf, who represents a district in western Wisconsin along the Minnesota border, notes that people in the Badger state earn on average four thousand dollars a year less than their neighbors to the west. "That's an issue we have to consider when we look at the affordability of the System, but we also need to recognize the role the university can play in addressing this situation by attracting higher-paying jobs," she says.

To accomplish those goals, a few states are moving away from the traditional ways public universities have been managed. In North Dakota, for example, state government has put \$50 million into the creation of university-run innovation

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centers, which work to translate university ideas into new business for the state. Virginia and Florida are among the states that have taken steps to loosen regulations on their public universities, freeing them from costly reporting requirements while also creating incentives for achieving specific public goals. The trend is to use budgets less to punish universities for doing something wrong, and more to reward them for doing something right.

That's something that McGuinness doesn't see in Wisconsin, which he says appears to be stuck in a position of demanding hyper-accountability on administrative minutiae, while paying relatively little attention to bigger issues, such as how the state can continue to afford a sustainable level of public

those meetings have gone over well with representatives, who complained that they lacked personal contact with university leaders in the past.

"I have seen President Reilly and the chancellor more in the past year than ever before," says state senator Fitzgerald. "That's a positive sign."

Jack O'Meara, citing concerns about morale among faculty, is somewhat more guarded in his optimism. "My hope is that we can start to turn the corner, but I think the key is that everybody needs to realize the importance of the university to the state and its future economy. The legislature certainly has the right to criticize the university, but too much of this back and forth will eventually hurt the university."

As brutal as the year was, however, it may ultimately prove to have been

known for his love of numbers, can rattle off a dozen benchmarks that indicate that things may not be as bad as they seem. "When I look at the data," he says, "we've never been in better shape in almost every dimension of our activities."

But even the university's leaders have tended to zero in on the outliers. They were reminded of how much the personnel matters had come to dominate their vision late in the year, when they gathered for a regular monthly meeting to discuss the university's public relations. Most of them, showing the wear of months of trench warfare during the university's various legislative battles, were decidedly gloomy about the university's prospects. The sole exception was UW Foundation president Andrew Wilcox, the chief architect of UW-Madison's ongoing capital campaign.



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support for its universities.

"The debate seems to be about a lot of peripheral issues," he says. "Historically, Wisconsin recognized way before other places how important the university was to the future of the state. But right now, I would have to say that you are falling behind."

THERE ARE SIGNS THAT WISCONSIN IS regaining its footing. Legislators and university officials indicate willingness to move past the injuries of 2005 and find more constructive ways to work together in the future. UW System president Kevin Reilly, Chancellor Wiley, and members of the Board of Regents have made the rounds with legislators of both parties to pledge their commitment to avoiding the kind of messy public spats that erupted last year. From all signs,

more embarrassing than damaging. The general sentiment, as Representative Gard says, is that "the university took a hit, but not a lethal one."

"Most people around here are pulling for them. I don't think that's always understood — the vast majority of people in the legislature will do what they can to help," he says. "Those folks don't necessarily get quoted in the paper as often. The detractors get a lot more ink."

The lasting legacy of 2005 may be the power of bad news to trump good. While its personnel issues dominated local headlines, UW-Madison was otherwise ticking off a quietly productive year, one that contained many stories less salacious, but perhaps no less important, than those crises. Graduation rates are near 80 percent, a high-water mark for the modern era. The average time it takes students to earn a degree is at an all-time low. Wiley,

How many reasons did he have to be happy? About 1.5 billion of them. Despite the university's political problems last year, Wilcox reported that donors gave more than \$194 million in 2005, up 20 percent from the previous year, and more than enough to exceed the campaign's \$1.5 billion goal.

Wilcox does not suggest that the UW's undeterred success in fund raising should supplant concerns about future state budgets. It does, however, offer a lesson in perspective.

"Around the university, we tend to internalize a lot of things that we ought to just get over," Wilcox says. "We all make mistakes, and most of the time, people will forgive you. They might not forget, but they do forgive." 📧

Michael Penn MA'97 is senior editor of *On Wisconsin*.