

**Summary Report  
Administrative Services Sub-Committee**

**November 20, 2006**

**Background**

The Administrative Services Sub-Committee has continued discussions throughout summer 2006. Members are:

<u>Extension</u>	<u>Colleges</u>	<u>UWSA</u>
Sue Schymanski	Steve Wildeck	Mike Kraus
Mark Dorn	Laurie Grigg	
Dan Malacara	Jim Eagon	

**Challenges to Integration**

The committee has been discussing integration possibilities business unit by business unit. Several challenges to significant integration have arisen:

- Separate Budgets – Separate institutional budgets require separate charts of accounts and the keeping of two general ledgers.
- Multiple Business Units - Each of these units provides very little, if any, duplication of skills or process. For example, the internal audit staff provides no opportunities to economize in the area of safety and risk management.
- Small Number of Employees – In several areas, UW Colleges has no dedicated staff while UW-Extension has two or fewer.
- Split Facilities – Integration would occur more naturally if similar work units could be co-located.
- Administrative Services leadership structure.
- Other pressing institutional business

**Business Units Reviewed and Status**

*Purchasing*

A full-time UW-Extension purchasing director was hired July, 2006. In addition to conducting her usual purchasing activities for UW-Extension, she is providing technical guidance to UW Colleges assistant campus deans for administrative services. The purchasing unit could be integrated to possibly provide more centralized services and program guidance to UW Colleges. Total existing permanent staff: Extension 1.8 FTE. With addition of up to 0.2 FTE, UW-Extension could possibly assume UW Colleges' major delegation (> \$25,000) purchases, improving service to campuses.

*Internal Audit*

A full-time UW-Extension auditor was hired October, 2006. The UW Colleges auditor was moved from Regent Street and is co-located with UW-Extension auditor at Lake Street. The Internal Audit unit may be combined to gain broader coverage, back-up, and more effective management of the audit unit. Total existing permanent staff: Extension 1.0 FTE—Colleges 1.0 FTE.

*Safety & Risk Management*

UW Colleges and UW-Extension have very different needs, and neither has full-time dedicated staff in this area. UW Colleges has a strong need for a minimum full-time position in this area, with emphasis on environmental and occupational safety. Most UW-Extension needs are served by UW-Madison, with the exception of liability issues. It is recommended that a risk manager position be developed to serve both institutions, but the position does not currently exist. Total existing permanent staff: Extension < 1.0 FTE—Colleges LTE assistance only.

#### Facilities Planning and Management

UW Colleges and UW-Extension have different needs in this area. UW Colleges manages 13 traditional campus physical plant operations with unique relationships with local governments. Planning and development activities are coordinated through the Vice Chancellor's office and the annual capital budget. UW-Extension maintains three conference centers, manages several buildings in the Madison area, and operates the bulk mail center. Some opportunities could exist to strengthen the FP&M and risk management functions across both institutions by possibly reorganizing job responsibilities and creating a facilities director for both institutions. This could be possible if the risk manager position is developed.

#### Business Services

The committee has begun to analyze the umbrella business services which currently report to the institutional controllers. These units consist of:

- General accounting
- Extramural support
- Accounts payable
- Accounts receivable

This area is heavily impacted by the “challenges to integration listed above”, although the number of employees involved in these units is considerably higher (Extension 14.0—Colleges 5.5 FTE). The controllers have reported to the committee on the transaction volume and nature of their work units. They currently are developing an impact assessment of co-locating their units either at Regent Street or Lake Street and will report their findings to the ASSC on December 13<sup>th</sup>. Co-location may present the most significant opportunity for integration, but presents significant risks to customer service.

#### **Administrative Services Leadership Structure**

The Chancellor charged the institutional CBOs in August with the task of working together to develop recommendations on the leadership structure for Administrative Services. These individuals have met on approximately 12 occasions since that time in an attempt to recommend a structure that provides the best opportunities for meaningful integration while preserving the effective business practices of each institution. A set of recommendations was forwarded to the Chancellor on November 19<sup>th</sup>.