



OFFICE OF THE PRESIDENT

June 24, 2008

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Mary Beth Baker, <i>ex-officio</i>	)	
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John Coulter	)	Working Group on
Bill Ferris, <i>ex-officio</i>	)	UW Technology
Paul Jenny	)	
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Mary Lidstrom	)	
David Szatmary	)	

Dear Colleagues:

As you know, the UW Technology organization, under the leadership of Ron Johnson, has reduced its workforce by 65 FTEs. The preliminary investigation, which was completed over a two-week period, confirmed significant financial issues. Specifically, the review found strategies, operations, and finances were not well coordinated; a significant number of positions were established with inadequate funding; rechargeable expenses were under-recovered; and in general, financial oversight was not sufficient.

As a result of those findings, I am charging the Working Group on UW Technology with providing more definition to the financial and organizational questions raised. Within 60 days, I expect the group to give me recommendations for putting UW Technology on solid ground. Throughout that period, I will make myself available for bi-weekly check-ins, and I urge you to use those sessions to advance “quick hit” recommendations.

I am asking you to take on a significant challenge of importance to the University. It is critical that you accomplish the following:

- 1) Identify the magnitude and root causes of and solutions for the current financial situation, eliminating any ongoing deficit and addressing the impact of the cumulative deficit.
- 2) Stabilize the UW Technology organization by clarifying current capabilities, developing strategies to stabilize operations, engaging staff to recommit their efforts, and communicating with the UW community on service implications.
- 3) Develop a long-term operational and financial model for the operation.

- 4) Assess the University's oversight structure for fiscal management, especially for self-sustaining units.

The *ex-officio* members of the group, led by Ann Anderson, will support your work on these four outcomes. Bill Ferris, whom I have appointed as the interim Chief Financial Officer (CFO) for UW Technology, will take on the investigation of the financial situation. An interim Chief Operating Officer (COO) will join with a consultant, Mary Beth Baker, in evaluating and proposing actions to stabilize the organization. I intend to appoint the interim COO based on your views of likely candidates, and I also would like your thoughts on the scope and relationship of that position to Vice President Ron Johnson. Sue Camber will put together alternative operational and financial models for your consideration. In that role, she will coordinate with other team leaders and the consultant to ensure an efficient, well-articulated set of options. Finally, Ann Anderson will develop a proposal to assess the UW's oversight mechanisms, being mindful of the Enterprise Risk Management approach as a possible framework for this work.

I am instructing the CFO and COO of UW Technology to report to the Working Group until further notice. The University deserves a technology organization that provides flexible, cost-effective, and creative services to the UW communities. At the same time, the organization must be sustainable. I am not only asking you to assist in addressing the current financial crisis, but also to propose operational and financial models that reconcile our insatiable demand for technology services with our distinctively limited resources.

Finally, and most importantly, I am distressed by the human cost of recent events and hope that the Working Group's reflection on the University's oversight structure will help us identify ways to prevent a reoccurrence of this nature. We simply must do so.

In closing, thank you for your service to the University. I appreciate the difficulty of this assignment and will support your work in every possible way.

Sincerely yours,



Mark A. Emmert  
President