

MINUTES OF THE REGULAR MEETING
of the
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Oshkosh, Wisconsin

UW-Green Bay

Held in UW-Oshkosh Reeve Memorial Union Lounge Room 202

Friday, April 10, 1992

9:00 a.m.

- President Lyon presiding -

PRESENT: Regents Barry, Clusen, Davis, Dreyfus, Flores, Gelatt, Grebe, Grover, Hirsch, Krutsch, Lubar, Lyon, Nicholas, Schilling, Steil and Vattendahl

ABSENT: Regent Gundersen

APPROVAL OF THE MINUTES: Upon motion by Regent Dreyfus, seconded by Regent Davis, the minutes of the March 6 and March 31, 1992, meetings were approved as distributed.

REPORT OF THE PRESIDENT OF THE BOARD

Appointment of President Katharine Lyall

Regent President Lyon congratulated Katharine Lyall on her unanimous appointment on April 1, 1992, as the fifth President of the University of Wisconsin System. The Board, the university community and citizens of Wisconsin are truly fortunate, he stated, to have a person of Katharine Lyall's national stature and proven record of accomplishment as its President. She has the Board's full support and confidence, and the blend of skills and experience necessary to lead the UW System through the nineties and beyond. Her appointment has been very well received, with high accolades from all quarters--the Governor, legislators, the media and many others.

President Lyon recognized and thanked the members of the Board of Regents, the Presidential Search Committee and Dr. Edward Penson, Executive Director of the Presidential Search, for their excellent work in bringing the search to a very successful conclusion.

Appreciation to UW-Oshkosh

Regent President Lyon stated the Board's appreciation for being invited to UW-Oshkosh for these meetings, for having the opportunity to visit this fine institution and to learn more in a first-hand way about some of the special attributes and programs that UW-Oshkosh provides. He thanked Chancellor Kerrigan, the staff, faculty, the EAA, and the community for their warm welcome.

Communication from Regent Gundersen

President Lyon read a letter from Regent Gundersen, who expressed appreciation for the support and concern of the Regents and others during his hospitalization and for the excellent treatment and care he received at UW Hospital.

Report of the Educational Communications Board

Referring to Resolution 6087, Regent Clusen, Regent member of the ECB, explained that the proposal would formalize a partnership that has long existed. It was approved by the Educational Communications Board, with notation that a timeline should be set forth for implementing the procedures included in the proposal. She commended Chancellor Boyle and UW-Extension for the cooperation and good will which made possible the partnership proposal.

Report on Association of Governing Board's Conference

Reporting on the annual AGB conference she had attended in March, Regent Krutsch said she found it to be a very worthwhile experience which left her with the sense that the UW System is in good condition compared with universities in other states. In states where there are separate governing boards for every institution, she commented, it is very difficult to deal effectively with such difficult issues as financial reallocation. Several suggestions which she thought might be helpful in the UW System are: (1) a more

thorough orientation for new Board members; (2) a regular Board assessment; and (3) rotation of committee chairmanships.

Report of the Vice President of the State Board of Vocational, Technical and Adult Education

With reference to his written report, Regent Barry clarified the VTAE Board increase in tuition. Approval has been given for a 5.4 percent increase in postsecondary enrollees and a 1.9 percent increase in college-parallel courses. The increase is less in the college-parallel program, he explained, because there is an increasing number of students in these programs. He was enthused about the guaranteed retraining policy already adopted in some districts which provides graduates who do not obtain employment in their fields of study within six months of graduation a guarantee of up to six free credits of additional instruction. The policy also applies to any graduates certified by their employers as being deficient in skills.

Status Report on Governor's Commission on Compensation

Regent Grebe, Vice Chair, reported that the Commission will hold a public hearing in Madison on Friday, April 24, 1992, at which members of the public will be invited to present their views on UW compensation issues being considered by the Commission. The hearing will be held in Room 16 of the Friedrich Center on the UW-Madison campus, beginning at 1:30 p.m.

REPORT OF THE PRESIDENT OF THE SYSTEM

Approval of Nonpersonnel Items

Upon motion by Regent Schilling, seconded by Regent Steil, Resolution 6067 was adopted unanimously.

Resolution 6067: That the report of nonpersonnel actions by administrative officers to the Board of Regents and informational items reported for the record (copy on file with the papers of this meeting) be received for the record; and that actions included in the report be approved, ratified and confirmed. - Spring Break Activities President Lyall reported that many UW students were foregoing the usual spring break vacation to volunteer their time and energy to help others. Some were helping poor migrant workers in the Rio Grande Valley to build housing. Others were working in soup kitchens in Chicago, cleaning up neighborhoods in Milwaukee, and in other ways reaching out to make a one-on-one difference across the state and country. Stating her pride in these students, President Lyall observed that they will find their experiences pack a great deal of real-world education into one short week of volunteerism and that they already have learned that real living is as much about giving as about getting. - Status Report on 1992-93 Budget Summarizing on the status of the 1992-93 budget, President Lyall reported that key provisions of the bill as approved by the Budget Conference Committee include one-time lapses of \$4.9 million in supplies and expense accounts and \$2.4 million in indirect

cost funds. The bill also provides an additional \$1.3 million for a student learning technology package that includes libraries, laboratories and computers; it authorizes covering the increased costs of the Academic Excellence Scholars Program from tuition waivers; it approves the UW-Madison Sports Medicine Spine Center and Cardiac Rehabilitation Building which is funded from program revenues; and it eliminates proposed language that would have prohibited the start of classes before Labor Day. After the Governor has completed his actions and signed the final budget bill, both the additional funds and the required cuts will be allocated to the institutions so that necessary adjustments can be made in 1992-93 expenditures. She will be consulting with Regent President Lyon, Vice President Nicholas and Regent Gelatt, Chair of the Business and Finance Committee, on the process for developing the 1993-95 budget request and priorities. - Strategic Planning President Lyall stated her intention to foster strategic planning at all UW institutions and to share widely the best information available about trends and forces that are shaping higher education and the UW System for this decade. She hoped to develop an informed cadre of faculty, staff and administrators across the System who share common information about the System and the state and who can participate in campus strategic planning within this shared context. A first step in this direction had been a two-hour systemwide video conference the previous week on state and national trends in higher education. It included presentations by James Morgan of the Wisconsin Taxpayers Alliance, James Mingle of the State Higher Education Executive Officers Association, and Chancellor Graham Spanier of the University of Nebraska-Lincoln, all of whom offered cogent overviews of state and national financial and political trends. Close to 1000 people participated across the System and called in questions for the presenters. Evaluations from the video conference indicated that participants appreciated this opportunity to begin thinking about the future together. - UW-Oshkosh Presentation: University Learning Community President Lyall introduced UW-Oshkosh Chancellor Kerrigan, who expressed the pleasure of the campus and community in hosting this Board meeting. He then introduced Dr. Jerry Stark, Professor of Sociology, who authored and now serves as Director of the University Learning Community project. Dr. Stark presented the history and accomplishments of this unique, residential college-within-a-university experiment. The program was first funded in 1986 as a pilot effort by the Fund for the Improvement of Post- Secondary Education (FIPSE). The experiment provided strong evidence that student involvement, retention, academic success and satisfaction were substantially increased. After the three-year funding period ended, the university spent a year assessing and modifying the program. The University Learning Community, he continued, is now a part of the regular curriculum and supports itself by a combination of GPR funding and a \$225 per-semester fee for participants. The ULC has a capacity of 120 students, is open to all entering students, and currently has a significant waiting list for admission. Its students represent a cross-section of the freshman class. Participating students are provided with a faculty mentor in their residence hall, a special instructional and living environment, a core curriculum, a weekly colloquium and special opportunities to become involved in the intellectual and cultural life of the university. The ULC has gained national attention and is being considered for implementation by a number of other large colleges and universities. Commending Professor Stark on what she viewed as an outstanding program, Regent Krutsch asked how students learn of its existence, how they are selected, and whether the basic

principles can be replicated for all students. Replying that the program is widely publicized through brochures, Professor Stark further explained that the students decide to enter the program themselves and are selected on a first-come, first-served basis. Three special registration days are set aside in April, May and June to which students may invite their parents; and they are treated as a separate group for registration purposes. Expansion of the program envelops a number of considerations. A core curriculum with orientation programs and more accessibility of faculty, he believes, is an idea that should be explored at all campuses. In answer to a question from Regent Clusen, Professor Stark said that the fall registration produced 107 students, with 92 currently participating. Regent Clusen asked if the program could be used as a model to retain minority students who have initial difficulty in adjusting to campus life. Professor Stark replied that he and his colleagues have spent a long time considering this. Although the pilot project was not designed nor advertised to be such a program, eight minority students participated the first year, which is a percentage far higher than the university norm. An advisory group is being developed to consider whether or not minority students should be aggressively recruited. He thought it to be an outstanding idea showing great promise. In reply to a question by Regent Davis, Professor Stark said there is no qualification for the program other than admission. Regent Grover asked if students who exercise an option to enter this program came to the university with higher ACT scores, with better class ranks, and with better grade point averages than the average student in the university, and Professor Stark replied in the negative. Regent Grover further asked if the program impacts on retention, and Professor Stark said that it does. There was one significant difference between these students and those who did not participate, he continued. The program's students had lower ACT scores in the first two years. Regent Nicholas asked how many students in the current semester were not able to enter the program, and Professor Stark was unable to provide a specific number, but that he knew of several dozen students at the end of the current semester who wanted admission but were unable to participate. Regent Barry inquired whether the program was piloted initially with outside funds, and Professor Stark said that it was. Current support comes from student fees of \$225 per semester, he added, and supporting funds are paid from the university's budget. Aside from the students' self-selection into this program, Regent Krutsch asked if there were any correlation with other kinds of characteristics which would set this group apart from others. Professor Stark replied that an extensive study had been made on this subject and the results were that there were no differences. In thanking Professor Stark for this presentation, Regent Lyon stated that the questions that were raised exemplified the Regents' interest in this excellent program. - - - REPORT OF THE PHYSICAL PLANNING AND DEVELOPMENT COMMITTEE Regent Dreyfus, Vice Chair, presented the report. Consent Agenda Items Regent Dreyfus presented Resolutions 6069-6071, which were unanimously approved by the Physical Planning and Development Committee, and moved their adoption by the Board of Regents as consent agenda items. The motion was seconded by Regent Barry and carried unanimously. UW-Oshkosh: Approval of 1992 Campus Development and Space Plan Resolution 6069: That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, the 1992 Campus Development and Space Plan, reflecting updates to the 1979 Campus Development Plan and documenting physical facilities and campus boundaries, be approved. UW-Madison: Lease Renewal for Office Space for UW

Hospital and Clinics Regional Services Program Resolution 6070: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to extend the lease for approximately 4,200 square feet of office space for the University of Wisconsin Hospital and Clinics Regional Services Program located at 810 University Bay Drive in Madison, Wisconsin. Lessor: Wisconsin Economic Research Institute c/o Christensen Associates Suite 700 4610 University Avenue Madison, Wisconsin 53705 The current lease of space expires on April 30, 1992, and will be extended to provide for the continued use of 4,200 square feet (SF) of space for a five-year period beginning May 1, 1992 and ending April 30, 1997. The lease will also provide for one, two-year renewal option from May 1, 1997. The annual cost for the first year of the lease will continue at the current rate of \$43,050. Each of the subsequent years, including the two-year renewal option, will reflect an increase of 2.7% over the previous annual rental rate. The following table reflects the proposed lease costs:

Lease Period	Annual Cost	Cost/SF
May 1, 1992 through April 30, 1993	\$43,050	\$10.25/SF
May 1, 1993 through April 30, 1994	\$44,212	\$10.53/SF
May 1, 1994 through April 30, 1995	\$45,406	\$10.81/SF
May 1, 1995 through April 30, 1996	\$46,632	\$11.10/SF
May 1, 1996 through April 30, 1997	\$47,891	\$11.40/SF
May 1, 1997 through April 30, 1998	\$49,184	\$11.71/SF
May 1, 1998 through April 30, 1999	\$50,512	\$12.03/SF

The amended lease will also contain provisions which require the Lessor to provide minor maintenance such as replacing some worn carpeting and painting by June 30, 1992, and window cleaning on a regular basis. All other provisions of the base lease will be unchanged. The University will continue to fund the cost of all utilities and services, which is estimated at \$2.00/SF. Rental payments and the cost of utilities and services will be provided from UWHC's operating funds.

UW System: Approval of Minor Projects Resolution 6071: That, upon the recommendation of the UW-Green Bay and UW-Stevens Point Chancellors and the President of the University of Wisconsin System, authority be granted to construct the following minor projects, at the cost and from the funding sources indicated: General Fund Supported Borrowing - Facility Repair and Renovation Funds \$144,400 Program Revenue Borrowing 248,000 \$392,400 UW-Green Bay Parking, Roadway and Walkway project, \$248,000, Program Revenue Borrowing. UW-Stevens Point Science Building Addition Roof Replacement project, \$144,400, General Fund Supported Borrowing - Facility Repair and Renovation Funds. - - - REPORT OF THE EDUCATION COMMITTEE Regent Davis, Vice Chair, presented the report. Consent Agenda Items Presenting Resolutions 6072-6080, which were unanimously approved by the Education Committee, Regent Davis moved their adoption by the Board of Regents as consent agenda items. With regard to Resolution 6073, he noted that, during Committee discussion, a number of questions were raised concerning the realism of the targets as well as the mix of the people in the programs. These topics may be the subject of additional information coming to the Committee as well as discussion at a future meeting. The motion was seconded by Regent Steil and carried unanimously.

Joint Review: B.S., Microbiology, UW-La Crosse Resolution 6072: That, upon recommendation of the Chancellor of the University of Wisconsin-La Crosse and the Acting President of the University of Wisconsin System, the B.S. in Microbiology be continued, with the understanding that the program will be included within UW-La Crosse's normal academic evaluation process.

1990-91 Design for Diversity Progress Report Resolution 6073: That, upon recommendation of the Acting President of the

University of Wisconsin System, the Board of Regents accepts the 1990-91 Design for Diversity Progress Report for submission to the Governor and to the chief clerk of each house of the Legislature for distribution to the appropriate Standing Committee under s.13.172(3), Wisconsin Statutes. Approval of Requests to Trustees of William F. Vilas Trust Estate Resolution 6074: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison, the Chancellor of the University of Wisconsin-Milwaukee and the Acting President of the University of Wisconsin System, the Board of Regents approves the request to the Trustees of the William F. Vilas Trust Estate for funds for fiscal year July 1, 1992 to June 30, 1993, subject to availability, as provided by the terms of the William F. Vilas Trust. Named Professorships, UW-Madison Resolution 6075: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, Charles P. Casey be appointed Homer B. Adkins Professor, Department of Chemistry, College of Letters and Science, University of Wisconsin-Madison, effective July 1, 1992. Resolution 6076: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, Elizabeth Ann Craig be appointed Elizabeth Cavert Miller Professor, Department of Biomolecular Chemistry, Medical School, University of Wisconsin-Madison, effective July 1, 1992. Resolution 6077: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, Susan Stanford Friedman be appointed Virginia Woolf Professor, Department of English, College of Letters and Science, University of Wisconsin-Madison, effective July 1, 1992. Resolution 6078: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, Maurice J. Meisner be appointed Harvey Goldberg Professor, Department of History, College of Letters and Science, University of Wisconsin-Madison, effective July 1, 1992. Resolution 6079: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, Lee Girard Pondrom be appointed Robert Williams Wood Professor, Department of Physics, College of Letters and Science, University of Wisconsin-Madison, effective July 1, 1992. Resolution 6080: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, Joseph Wiesenfarth be appointed Sally Mead Hands-Bascom Professor, Department of English, College of Letters and Science, University of Wisconsin-Madison, effective immediately. --- Genetic Analysis of Photosynthesis The Committee heard a presentation on genetic analysis of photosynthesis by Assistant Professor Toiva Kallas, Department of Biology, UW-Oshkosh. - New Program Authorization: B.A., Archaeological Studies, UW-La Crosse Reporting on initial review of a proposed authorization for a B.A. degree program in Archaeological Studies at UW-La Crosse, Regent Davis noted the Committee's request for assurance that, if the program is approved, a UW-La Crosse review of its program array would result in identification of a similar-sized program for discontinuation by the time of the joint review of the new program. - Upon motion by Regent Davis, seconded by Regent Krutsch, Resolutions 6081 and 6082, which were approved unanimously by the Committee, were unanimously adopted by the Board of Regents. Authorization to Recruit: Associate Professor or Professor and Chair, Department of Pharmacology, Medical School, UW-Madison Resolution 6081: That, upon recommendation of the

Chancellor of the University of Wisconsin-Madison and the Acting President of the University of Wisconsin System, the Chancellor be authorized to recruit for an Associate Professor or Professor and Chair, Department of Pharmacology, medical School, University of Wisconsin- Madison, at a recommended salary range that exceeds the Executive Salary Group 6 maximum. Authorization to Recruit: Associate Professor or Professor, Department of Physics, College of Letters and Science, UW-Madison

Resolution 6082: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the Acting President of the University of Wisconsin System, the Chancellor be authorized to recruit for an Associate Professor or Professor, Department of Physics, College of Letters and Science, University of Wisconsin- Madison, at a recommended salary range that exceeds the Executive Salary Group 6 maximum. - Initial Leave of Absence for More than Two Years for a Faculty Member, UW-Madison It was moved by Regent Davis, seconded by Regent Grover and carried unanimously, that the following resolution, which was unanimously approved by the Committee, be adopted by the Board of Regents: Resolution 6083: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the Acting President of the University of Wisconsin System, the request for a leave of absence for academic year 1992- 1993 through 1994-1995 be approved for Cora Marrett, Professor of Afro-American Studies and Sociology, University of Wisconsin-Madison. - - - REPORT OF THE BUSINESS AND FINANCE COMMITTEE Regent Gelatt, Chair of the Committee, presented the report. Consent Agenda Items Presenting Resolutions 6084-6087, which were approved unanimously by the Business and Finance Committee, Regent Gelatt moved their adoption as consent agenda items by the Board of Regents. The motion was seconded by Regent Vattendahl. Regent Lyon explained that he had initiated Resolution 6085 because, given the growing number of senior citizens, he saw a need to look at the programs being provided to that clientele both on the campuses and through UW- Extension; to determine whether such programming should be enhanced; and to consider what kind of budget provisions would be required for that purpose. It was his view that strengthening the overall program for seniors seems to be warranted. Put to the vote, Resolutions 6084-6087 were adopted, with Regent Davis abstaining from the vote on Resolution 6084.

Approval of Gifts, Grants and Contracts Resolution 6084: That, upon recommendation of the President of the University of Wisconsin System, the gifts, grants and contracts presented at this meeting (copy on file with the papers of this meeting) be accepted, approved, ratified and confirmed; and that, where signature authority has not been previously delegated, appropriate officers be authorized to sign agreements. Review of Programs for Senior Citizens Resolution 6085: That, UW System Administration review current programs directed toward senior citizens, and give consideration to program, structure, and budget needs that would make this group an integral part of the UW System structure and report findings and recommendations to the Board of Regents. Trust Funds Proxy Voting Guidelines Resolution 6086: That, upon the recommendation of the President of the University of Wisconsin System, the Regent Procedures and Guidelines for Voting Proxies for Trust Funds be amended as set forth in Exhibit A (attached). Educational Communications Board Response to the Legislative Audit Bureau Resolution 6087: Whereas, on February 8 and June 7, 1991, the University of Wisconsin System Board of Regents unanimously approved resolutions opposing the Legislative Audit Bureau recommendation that the University's public radio and television licenses

be transferred to the Educational Communications Board. Whereas, the University of Wisconsin-Extension and the Wisconsin Educational Communications Board have prepared a plan for a formalization of A WISCONSIN PARTNERSHIP FOR PUBLIC BROADCASTING. Whereas, the Board of Regents of the University of Wisconsin System wishes to insure the continued high- quality and wide-variety of public broadcast programming available to Wisconsin's people through the WISCONSIN PARTNERSHIP FOR PUBLIC BROADCASTING. Whereas, the University of Wisconsin System Board of Regents wishes to insure an environment for public broadcasting which fosters the free and open discussion of diverse ideas and issues. That, upon the recommendation of the President of the University of Wisconsin System and the UW-Extension Chancellor, the Board of Regents endorses the March 20, 1992 response by the Educational Communications Board to the recommendation of the Legislative Audit Bureau regarding consolidation of State Public Broadcasting. The Board of Regents strongly encourages state government to endorse the WISCONSIN PARTNERSHIP FOR PUBLIC BROADCASTING. --- Audit Subcommittee Meeting Quarterly Internal Audit Update

The Subcommittee heard the Quarterly Internal Audit Update from Audit Director William Brunkow, who summarized the audits in process and recently completed audits. Educational Communications Board Regent Gelatt reported that UW-Extension Chancellor Boyle provided to the Subcommittee history on the Legislative Audit Bureau audit of the Educational Communications Board. A review of the structural options indicated that no further savings are possible through consolidation of public broadcasting in Wisconsin. The Subcommittee strongly endorsed the recommendation to formalize the partnership structure between the ECB and UW-Extension, and the Subcommittee unanimously approved a motion which lead to Resolution 6087. - Total Quality Management The Business and Finance Committee, with other Regents attending, heard a report on Total Quality Management at UW-Oshkosh. Dean Robert Milam, Dean of the College of Business Administration and Chair of the Total Quality Management Council, made an interesting presentation on how UW-Oshkosh has implemented the total quality management philosophy. He outlined the process the institution has gone through and shared some recommendations which included: (1) everyone needs to participate from the top down; 2) there is a need to plan and budget for implementation; (3) it must be expected that the process will take five to ten years; (4) there is a need to develop policies and procedures to reward achievements; and 5) compensation must be linked to improvements. - Fee Policy for Auditing Classes

Introducing this topic at the Committee meeting, Regent Gelatt stated that a number of Regents wished to revise the fee policy for auditing classes, as applied to residents over the age of 62. The current policy, which is age neutral, requires Wisconsin residents to pay 30 percent of the resident fees to audit and nonresidents to pay 50 percent of the nonresident tuition. A number of options were outlined in the agenda materials: (1) to maintain the current age-neutral policy; (2) to revert to a portion of the former policy so that fees would be waived for residents age 62 or older; (3) to revise the current policy to allow resident senior citizens the option to request taking audit-only courses at no charge; (4) to revert to the former policy but encourage an appropriate donation from seniors who audit courses; and (5) to defer any action on the class audit fee policy and have UW-Extension examine the possibility of working with System institutions to initiate special programs for resident senior auditors. Regent discussion focused on the equity of the

policy and the negative goodwill resulting from the current policy. Regent President Lyon endorsed a variant of the fifth option, dealing with the examination of programming needs of senior citizens which was adopted in Resolution 6085. After much discussion, and in the interest of giving the full Board the opportunity to debate the issue, the Committee passed a resolution to allow auditing at no charge for Wisconsin residents 62 years of age and over. It was moved by Regent Steil and seconded by Regent Lubar that the resolution passed by the Committee be adopted by the Board. That the policy pertaining to fee charges for class auditing (copy on file with the papers of this meeting) be approved and that Resolution 5831, adopted June 7, 1991, is hereby rescinded. Regent Grover commented that non-need based entitlement programs for the wealthiest class of citizens are causing great harm in this country. Stating that the United States must make hard choices around the principles of fairness, equity, and ability to pay, he felt the UW System has a responsibility to act in accordance with those principles, even though to do so would not be popular. Commenting that the UW should not discriminate on the basis of age, he suggested that it would be more equitable to have fee waivers for auditors of any age on the basis of need. For those reasons, he urged the Board to defeat the resolution. Regent Flores noted that auditors are admitted only on a space-available basis. If there is excess capacity, he asked, why not allow auditors to use it if there is no additional cost? The University of Wisconsin is not just for traditional-age students, he commented, but for education of as many Wisconsin people as possible, including senior citizens. Regent Davis thought it difficult to differentiate between the incremental cost for the last student and the incremental cost for the first auditor. Cogent arguments could be made that both are zero. Regent Clusen remarked that this is a time when the UW System needs all the friends and supporters it can find. She could not understand why the Board should persist in doing something that annoys taxpayers so much simply because some want to audit a class. If there is room in the classroom and no particular cost associated with auditing, she felt resident seniors should be permitted to audit at no cost. Noting that she had never received more mail on any subject in her time on the Board, she pointed out that the fees currently charged produce little revenue and that it seemed pointless to continue generating so much ill will. Regent Dreyfus recalled that, as Chancellor of UW-Stevens Point, he had instituted a program of free auditing by seniors because they added a valuable perspective to classroom discussion due to their longer life experience. Secondly, the auditing program provided the opportunity to bring people to the university they had supported for many years with their tax dollars. Third, the program created positive community relations by allowing local residents to become a part of the university. Fourth, the auditing program provided a means of bringing together the older and the younger generations. Noting that the average cost of instruction at UW institutions is \$6000 a year, or \$600 per three-credit course, Regent Gelatt pointed out that the auditing charge on a comprehensive campus is \$60 for a three-credit course-- ten percent of the average cost of instruction. There are few things, he commented, for which the marginal cost is less than ten percent of the average cost. With regard to the educational cost, he noted that the enrollment management policy is based on student/teacher ratios and the importance of every person in the class having the attention of the professor. Diluting the attention of the professor diminishes the educational benefit to the others in the course. Finally, he had heard no convincing reason why there should be special treatment for those over 62. Regent Krutsch felt that auditors who pay \$60 or

\$70 for a three-credit course are getting great value for their money. When people suddenly are asked to pay for something they have been getting free, she noted, it is a natural human reaction to be angry and perhaps not participate in that activity. Her sense, however, was that within a few years memories will fade, and people will realize that paying ten percent of the cost of a course is indeed a good bargain. Regent Davis commented that it is inconsistent to consider giving a product away while at the same time complaining about a shrinking share of resources and searching for enhanced revenues. As friends of the university, he felt senior auditors should be willing to help the UW in a time of need. While he agreed with Regent Dreyfus' point about the enriching perspective of seniors in the classroom, not one of the letters he had received mentioned academic issues. Instead, the contention was entitlement to a free benefit simply by virtue of being over 62 years old. He was not sure a good argument could be made that someone who is 62 is more entitled than someone who is 61, and he was not sure a good argument could be made that if unused spaces in the class are to be made available free, why they should not be made available free to anyone who wants to come to the class. He thought it unfortunate that this had become a small-dollar, inter-generational issue. He did not see why, when the UW is struggling for resources, free benefits should be given away to anybody. Regent Lubar felt there were several compelling reasons for returning to the old policy. First, empty seats in the classroom are wasted forever if no one is sitting in them, and there is an opportunity to put Wisconsin residents in those seats. Second, he was told by faculty that senior auditors have a positive impact on the classroom as a stabilizing and mentoring influence. Third, these Wisconsin citizens are also potential donors. To give away a product that would be wasted forever to people who have been citizens of the state for a long time was for him not a difficult decision. For those reasons, he intended to vote in favor of the resolution. Regent Hirsch felt the issue was a symptom of a greater problem: how the University System should respond to the needs of senior citizens in this state. That question will be addressed by Resolution 6085. In addition to the points that had been made in terms of equity and cost, he noted that the policy is less than a year old and should not be changed just because pressure had been put on the Board of Regents. He thought more time should be allowed to determine the true impact of the new policy. Regent Flores noted that, while many senior citizens can afford to pay \$60 or \$70, it also is true that there are many who cannot. While there are scholarships and other aid for traditional students, there are no such programs for senior citizens. To tell seniors either to pay or leave seemed to him the wrong attitude. He urged the Board to give them this opportunity to enrich and continue to learn in their later years. Regent Steil commented that many seniors are living on social security, and he did not think they should be obliged to plead poverty in order to audit classes. They have paid for that right with taxes, he said, and it is wrong to tell them they are not entitled to come into the classroom and take a vacant seat that is not costing the university any money. He felt the UW would be well repaid by goodwill and bequests through the years. Regent Barry spoke in opposition to changing the policy under pressure after only one year's experience. After an overall review, he would be open to considering revision of the policy, based on a staff recommendation, to recognize need and furtherance of educational goals. Speaking in support of the resolution, Regent Nicholas observed that this is a goodwill issue--not an economic issue. His preference would be to increase the number of auditors so that more people would come to campus, become enthusiastic about the UW and be supporters for

the long term. For those reasons, he strongly favored revising the policy. In response to a question by Regent Davis, Regent President Lyon explained that policy relating to use of facilities by auditors and provision for waiver would not be changed by the resolution. Regent Vattendahl commented that, if free auditing were to be offered, it should be offered to all residents of Wisconsin and not just senior citizens. The matter, he noted, could be reconsidered on the basis of results from the study called for in Resolution 6085. Put to a roll-call vote, the resolution was defeated, with Regents Clusen, Dreyfus, Flores, Lubar, Nicholas and Steil voting "Aye" (6), and Regents Barry, Davis, Gelatt, Grebe, Grover, Hirsch, Krutsch, Lyon, Schilling, and Vattendahl voting "No" (10).

- Trust Funds Endowment Update Continuing the report of the Business and Finance Committee, Regent Gelatt summarized a report by Assistant Trust Officer Konshak on results of the National Association of College and University Business Officers (NACUBO) annual survey of endowment funds. Over the past ten years, the UW endowment grew at an annualized rate of return of 12.3 percent. The real rate of return was 1.8 percent after adjusting for 4 percent inflation and 6.5 percent per year that was distributed for spending. It is expected that the spending plan, which will limit spending to 5 percent of assets in the future, will improve the real rate of return over time. For the 1990-91 year, the endowment returned 9.1 percent, which was 2.1 percent above the NACUBO median. This was the first time in many years that the UW endowment returns surpassed the NACUBO median.

- Tax-Sheltered Annuity Review Report Associate Vice President Wright presented to the Committee the Tax Sheltered Annuity Review Committee report. The mutual fund audits, which involved having those employees who held unauthorized products redirect their contributions to authorized products, has been completed. An extensive review of the financial security of the life insurance vendors participating in the program is in process. Other activities of the committee included designating the system legal counsel as counsel to the committee and the development of a new annual statistical report. There are currently over 11,000 employees participating in the tax sheltered annuity program. The total assets they have put into the program are \$541 million. Regent Steil asked that system legal counsel check standard letters used by the Review Committee to ensure that they did not imply an unintended promise on the part of the Board of Regents.

- - - UNFINISHED OR ADDITIONAL BUSINESS

75th Anniversary of WHA Upon motion by Regent Clusen, seconded by Regent Dreyfus, the following resolution was adopted unanimously by the Board: Resolution 6088: Whereas, University of Wisconsin Radio Station 9XM (later WHA) began regular transmissions of voice and music in 1917, marking the beginning of "broadcasting" to the general public; Whereas, 1992 marks the 75th anniversary of this unique educational partnership between the University and the citizens of Wisconsin; and Whereas, the vitality of today's public broadcasting can be credited to those UW pioneers who accepted the challenge in 1917 to create public broadcasting in Wisconsin; Whereas, the 75th anniversary commemorates the contributions of all Wisconsin Public Broadcasting staff to the growth and development of the entire state; and Whereas, Public Broadcasting, as pioneered in Wisconsin, embodies the true meaning of the "Wisconsin Idea" -- that the resources and knowledge of the University shall be extended to the state's citizens where they live and work; Therefore, be it resolved that the members of the Board of Regents of the University of Wisconsin System hereby commend the University of Wisconsin-Extension for its strong leadership and sustained commitment to Wisconsin Public Broadcasting and

for forging partnerships to enable the state's citizens to share in the educational, cultural, and political richness of Wisconsin. - Appreciation to Vice President Poellnitz Regent Gelatt presented the following resolution and moved its adoption by the Board. The motion was seconded by Regent Nicholas and carried unanimously. Resolution 6089: Whereas, Fred Poellnitz is leaving the position of Vice President for Business and Finance of the University of Wisconsin System, after having served meritoriously in that office since July 1, 1988; and Whereas, working with the Business and Finance Committee of the Board of Regents, his tenure was marked by a number of important accomplishments, including: □ Providing expertise in the administration of Clinical Science Center by serving as a member of the Board of Trustees of the UW Hospital and Clinics. □ Development of a comprehensive internal audit program, including long-range planning and continuous follow-up on audit recommendations; □ Guidance for implementation of Total Quality Management in the UW System; □ Initiation of review of the administrative policies and procedures of the UW System; and □ Enhancement of the informational technology capabilities of System Administration through the installation of a local area network; Therefore, be it resolved that the Board of Regents hereby thanks and commends Fred Poellnitz for the service he has rendered to the University of Wisconsin System and wishes him well in all future endeavors. - Appreciation to UW-Oshkosh Upon motion by Regent Hirsch and seconded, the following resolution was adopted unanimously: Resolution 6090: Whereas, the Board of Regents is very pleased to have been invited to hold its April 1992 meetings at UW-Oshkosh; and Whereas, this visit has been enriched by the interesting presentations made to the Board and to the Committees; and Whereas, the gracious hospitality extended by UW-Oshkosh, the Experimental Aircraft Association, and the entire community has been greatly appreciated; Now, Therefore, Be It Resolved that the Board of Regents hereby expresses its gratitude to Chancellor Kerrigan and his staff, to Pat Kerrigan, and to all those involved in making our visit a truly memorable and enjoyable event. - - - At 11:00 a.m., the following resolution, moved by Regent Nicholas, was adopted unanimously on a roll-call vote, with Regents Clusen, Dreyfus, Flores, Gelatt, Grebe, Hirsch, Krutsch, Lyon, Nicholas, Schilling and Steil voting in the affirmative (11). There were no dissenting votes and no abstentions. Resolution 6091: That the Board of Regents recess in closed session to consider personnel matters, including annual evaluations, for possible action on salary adjustment above the Group 6 maximum, System Administration, and authorization to offer a salary above approved range, UW-Madison, as permitted by s. 19.85(1)(c), Wis. Stats.; to consider personal histories concerning possible appointments to the UW Centers Board of Visitors, an honorary degree at UW-Parkside, naming a UW-Madison building after a person, and preliminary report on investigation of a specific personnel matter, as permitted by s. 19.85(1)(f), Wis. Stats.; and to confer with Legal Counsel, as permitted by s. 19.85(1)(g), Wis. Stats. - - - CLOSED SESSION ACTIONS The Board arose from closed session at 12:30 p.m., at which time the following actions were announced: Appointment to UW Centers Board of Visitors Resolution 6092: That upon the recommendation of the UW Centers Chancellor and the President of the University of Wisconsin System, Mr. Howard McCarty, of Rice Lake, be appointed to the UW Centers Board of Visitors for a term ending July 1, 1994. Salary Adjustment for Deputy Vice President for Business and Finance Resolution 6093: That, upon the recommendation of the President of the University of Wisconsin System, the annual

salary of Raymond Marnocha be changed to \$92,000, upon his assumption of the position of Deputy Vice President for Business and Finance, effective April 13, 1992. - Secretary's Note Resolution 6094 was adopted at the February 7, 1992, meeting and Resolution 6095 was adopted at the March 6, 1992, meeting. Announcement was not made at those times, pending acceptance by the nominees. Honorary Degrees, UW-Milwaukee Resolution 6094: That, upon the recommendation of the UW-Milwaukee Chancellor and the Acting President of the University of Wisconsin System, the following persons be awarded honorary degrees at UW-Milwaukee, subject to acceptance by the nominees: Lucius J. Barker - Doctor of Laws Warren P. Knowles - Doctor of Public Service Honorary Degrees, UW-Oshkosh Resolution 6095: That, upon the recommendation of the UW-Oshkosh Chancellor and the Acting President of the University of Wisconsin System, the following persons be awarded honorary degrees at the University of Wisconsin- Oshkosh, subject to acceptance by the nominees:

- Mr. Charles F. Hyde - Doctor of Science
- Sister Irene Kohne - Doctor of Science

The meeting was adjourned at 12:30 p.m.

Judith A. Temby Secretary April 30, 1992

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