

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in Room 1820 Van Hise Hall  
Friday, December 9, 1994  
9:00 a.m.

- President Grebe presiding -

PRESENT: Regents Barry, Benson, Budzinski, Dreyfus, Gelatt, Grebe,  
Gundersen, James, Krutsch, Lubar, MacNeil, Orr, Randall,  
Schilling, Steil and Tregoning

ABSENT: Regent Hempel

Approval of Minutes

Upon motion by Regent Dreyfus, seconded by Regent Schilling, minutes of the meeting of the Board of Regents held on November 11, 1994, were unanimously approved as distributed.

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REPORT OF THE PRESIDENT OF THE BOARD

Report of the Chair of the Council of Trustees of the UW Hospital and Clinics

Summarizing the preceding day's council meeting, Regent Orr reported that admissions this year are up over eight percent from last year, reversing a two-year declining trend. The average length of stay continues to decline and now is about seven days, as compared to an average stay of nine days a decade ago.

Use of outpatient services continues to grow, particularly at the East Side Clinic and the Women's Health Center.

As a result of the admission increases, revenues are about four percent ahead of budget and expenses are slightly under budget. Expenses, however, may be expected to increase in the latter part of the year.

One matter of considerable concern is the issue of medicare cuts in indirect costs which would include the hospital's educational mission. The current rate of more than seven percent is projected to be reduced to three percent, which would result in a loss of about \$10 million a year.

The council asked staff to prepare a report outlining the estimated costs of the educational mission and a recommendation on how the hospital might cope with that loss of funds if it occurs.

The superintendent reported that every effort is being made to avoid a rate increase. UW Hospital currently is somewhat more expensive than its competitors, but that gap is narrowing. There are plans to expand the Eastside Clinic which is an important source of patients.

Wayne McGown, Special Assistant to the Chancellor, provided a report on the heart transplant negotiation. Although the process is taking considerably longer than the participants envisioned, the panel should be completed by the end of December and their recommendations are expected soon afterward. Every effort is being made to implement a single temporary list by December 31.

Reporting that Interim Dean Farrell had made a strong report to the Council, Regent Orr noted that Dr. Farrell recognizes the important issues facing the Medical School, including vacant chairs to be filled in surgery, neurology, and pathology; development of the Clinical Practice Plan; and development of a strategic plan for the Medical School.

Dr. Strother presented a report on the acute stroke program, which is regarded as one of the best in the world. This program, Regent Orr observed, demonstrates strengths of the Medical School and is a reminder of us how important the hospital is to the continued survival of the Medical School, which receives almost 55% of its budget from the hospital. Significant portions of the budgets of the schools of Pharmacy and Nursing also come from the hospital.

Noting the patient volumes needed to perform the teaching and research functions, Regent Orr added that Wisconsin need only look to Minnesota, where the university hospital's patient base has been badly eroded by competition and the University of Minnesota Medical School's national reputation has declined significantly. It is necessary in Wisconsin, he emphasized, to make rapid progress in acquiring practices to be sure that the UW Medical School does not lose momentum.

Regent Krutsch presented a favorable report on quality assurance and announced that preparation for the 1996 Joint Commission visit already has begun.

In discussion at the Board meeting, Regent Gundersen expressed concern about status of the organ transplant program and about erosion of the patient base caused by aggressive recruitment by the Mayo Clinic.

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Report of the Regent member of the Educational Communications Board

Supplementing his written report, Regent Gelatt commented that public radio and television will be under budget constraints even more

severe than contemplated at the November 18 meeting.

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Report on Legislative Matters

A written report was provided.

Resolution of Appreciation: Senior Vice President Bornstein

Regent Steil presented the following resolution and moved its adoption which was affirmed with an ovation in honor of Vice President Bornstein:

Resolution 6822: WHEREAS, Ronald C. Bornstein has served the University of Wisconsin System and the people of Wisconsin with grace, intelligence, distinction and skill as a faculty member in communications, a director of public broadcasting and telecommunication programs, and a senior administrator of the University of Wisconsin System; and

WHEREAS, he took leaves of absence to serve the nation as vice president for telecommunications with the Corporation for Public Broadcasting and acting president of National Public Radio, restoring them to solvency during a time of grave crisis; and

WHEREAS, he has served the local community through his exemplary leadership of United Way of Dane County, the Downtown Madison Rotary Club, the Madison Club, the Madison Arts Center, the Wisconsin Special Olympics, and many other civic projects; and

WHEREAS, he is the recipient of numerous professional honors, including an Emmy Award, the Edward R. Murrow Award for Distinguished Service to Public Radio from the Corporation for Public Broadcasting, and election to the Wisconsin Broadcasters Hall of Fame; and

WHEREAS, he was instrumental in the consolidation of the UW System Administration at two locations and the construction of the 780 Regent Street building; and

WHEREAS, he is retiring on December 31, 1994 from full-time duties as Senior Vice President for Administration, forsaking countless meetings, endless administrative chores and the frigid blessings of Wisconsin winters for a new home in Arizona;

THEREFORE, BE IT RESOLVED that the Board of Regents of the University of Wisconsin System, on behalf of the people of the state, extends sincere appreciation and best wishes to Ronald C. Bornstein upon his retirement; with deep gratitude for his 27 years of university and civic service, his devotion to public broadcasting, his wise counsel to three presidents and many Regents, his advocacy for public higher education, and his tremendous spirit of good will.

Senior Vice President Bornstein remarked that in his 27 years at the UW, he had been a part-time teacher and a full-time administrator at three institutions: UW-Extension, UW-Madison, and UW System Administration. He had the opportunity of teaching undergraduate and graduate courses in public telecommunications for 15 years for the UW-Madison Department of Communication Arts, and the joy of serving as a major professor to Ph.d students who occupy communications policy positions at the federal level. When two national professional service opportunities came along, the University granted him leaves of absence which enriched his career and allowed him to make a difference in the national arena.

He also had the pleasure of managing WHA Radio and Television--public broadcasting stations that are considered to be among the best in the country.

During his time with the System Administration, he had worked with 36 Chancellors, 11 vice presidents, 15 associate vice presidents, 11 assistant vice presidents, three System presidents, 45 Regents, and 6 Regent presidents. Coming from a charter university--the University of Michigan--he was amazed at how a great university like the UW could exist in such a regulated state government environment. More than anything else, he commented, it is testimony to the staff and faculty of the University--and the good will of the people of Wisconsin who value the importance of a great university.

Commending the presidents of the Board of Regents for their leadership, Vice President Bornstein observed they have been the right people for the right time. He expressed confidence that the Board of Regents, as trustees of one of Wisconsin's major assets, will continue to advocate and demonstrate the highest standards of stewardship that befit one of the premier institutions of higher education in the nation.

He expressed gratitude to the chancellors, faculty, staff, and students who have made his UW career an exceptional experience, and also thanked the highly professional System Administration staff. Among them, he acknowledged Pat Wieczorek and Nancy Westrum--professional secretaries who served with him for a total of 23 years; Vice Presidents Ward, Brown, Marnocha, and Olien; Special Assistant Pat Takemoto; Associate Vice President Judith Ward; and Regent Secretary Temby.

He stated his "profound appreciation to, and unbounded admiration for, Katharine Lyall, a truly great president and good friend and counselor." The state, the UW, and the Board of Regents, he stated, are

fortunate to have her as the UW System president.

In closing, he expressed the hope that this and future Boards will abide by President Grebe's principle that Regents should focus on policy issues and respect the rights and responsibilities of management, in order to operate most efficiently for the benefit of the university and the state.

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#### Recognition of Regent Randall's receipt of Teaching Award

President Grebe congratulated Regent Randall for being chosen to receive one of the prestigious awards granted by Ameritech to the outstanding teachers in the Milwaukee public school system.

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#### Report on the Executive Assistant Search

Regent Lubar, chair of the Search, reported that advertisements were run in the Chronicle of Higher Education, The Milwaukee Journal, The Wisconsin State Journal and Wisconsin Bar Journal. In addition, letters inviting nominations were sent to private and public sector leaders in the local, state and national levels. The response to this request for nominations has been very good, with over 90 nominations and applications received to date, and a strong field of candidates is expected. The deadline for nominations and applications is January 1, 1995.

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#### Appreciation for Service-Beverly Zimmerman

It was reported by Regent President Grebe that on January 3, 1995, Beverly Zimmerman was to retire from her position in the Board of Regents Office. During her 15 years with the Board office, she had served with 60 Regents. Individually and as a group, Regent Grebe noted, the Regents and many others throughout the System have benefited greatly over the years from her capable assistance and conscientious work. On behalf of current and predecessor Boards, he expressed appreciation to Ms. Zimmerman for her outstanding contributions to the UW System.

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### REPORT OF THE PRESIDENT OF THE SYSTEM

#### Report on \$8.7 million lapse requirement

President Lyall reported receipt of a letter from Secretary Klauser, of the Department of Administration, directing the UW System to lapse \$8.7 million to the state unallotted reserve by January 16, 1995. His letter stated: "In view of the serious 1995-97 budget outlook, the Governor has asked that I take steps to curb nonessential state government spending this fiscal year." It also gave the UW System full discretion to propose where these reductions should be taken, except that

they may not be taken from debt service, fuel, or utilities accounts.

Noting that the Governor had exempted the UW from the five and ten percent budget reduction exercise required of all other state agencies, President Lyall stated that the UW also appreciated being treated preferentially in this lapse with recognition that educational opportunity must be sustained. UW institutions have taken prudent cost-reduction measures throughout the fall in anticipation of a 1995-97 shortfall which also will help to handle this reduction. The timing of the cut, coming as it does in the middle of this academic year, however, makes it more difficult to manage since teaching contracts have been signed for second semester and class schedules have been published. The demand for many services, including registration, housing, and advising services peaks at this time, and admissions offices must continue to deal with applications for next year.

Pledging that System Administration will work with the institutions to identify the best way in which to meet this lapse, President Lyall expected that institutions will have to take a number of actions: while second semester enrollments will not be reduced, it will be necessary to reduce the number of ad hoc instructor appointments and a number of sections will have to be combined to form larger ones; planned investments in learning technology will be deferred; and some purchases of classroom laboratory equipment will be suspended. At some institutions, plans to join WonderNet and equip classrooms for compressed video distance education will have to be deferred. Pending appointments and contracts not yet signed will be held until particulars of the 1995-97 biennial budget are known.

In previous years, where mid-year cuts have occurred, the Board has requested authority for a tuition surcharge to maintain course offerings and student services through the second semester. This year, the \$8 million lapse would amount to about \$70 per FTE student. However, President Lyall stated, she will not recommend a surcharge this year. With larger potential cuts on the horizon in the next biennium, she felt current tuition levels should be maintained throughout the rest of this academic year. Any tuition offsets to base budget reductions should be considered only after specifics of the next biennial budget are known.

On behalf of students, Regent Tregoning expressed appreciation for the decision to not impose a tuition surcharge. He thought students would understand the necessity of the cutbacks that will have to be made.

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Presentation: Meeting Student Technology Needs

Removal of Sunset of Lab/Classroom Modernization  
and Computer Access Program

Senior Vice President for Academic Affairs, David J. Ward, described the three-fold purpose of the laboratory and classroom modernization and computer access programs:

A handwritten signature in black ink, appearing to read "J. A. Temby". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Judith A. Temby Secretary