

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in 1820 Van Hise Hall
Friday, July 14, 1995
9:04 a.m.

- President Grebe presiding -

PRESENT: Regents Benson, Brown, Dreyfus, Gelatt, Grebe, Hempel, James,
Krutsch, Lubar, MacNeil, Orr, Randall, Schilling, Smith and Steil

ABSENT: Regents Barry and Budzinski

Approval of Minutes

Upon motion by Regent Dreyfus, seconded by Regent Schilling, minutes of the meeting of the Board of Regents held on June 9, 1995, were unanimously approved as distributed.

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Reports of the President of the Board, President of the System,
Executive Committee, Education Committee,
Physical Planning and Development Committee,
Business and Finance Committee follow this document

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ADDITIONAL BUSINESS

The Board of Regents recessed for 10 minutes, reconvening at 10:30 a.m., at which time Regent Lubar read Resolution 6997 and moved its adoption by the Board of Regents. The motion was seconded by Regent Steil and was adopted on a unanimous roll call vote, with Regents Benson, Brown, Dreyfus, Gelatt, Grebe, Hempel, Krutsch, Lubar, MacNeil, Orr, Randall, Schilling, Smith and Steil (14) voting in the affirmative. There were no dissenting votes and no abstentions.

Resolution 6997: That the Board of Regents recess into closed session to consider a matter related to annual evaluations, a salary adjustment above the Group Six Maximum, UW-Extension, authorization to offer a salary that exceeds the approved range to a specific individual,

Medical School, UW-Madison, as permitted by s.19.85(1)(c), Wis. Stats.; for purposes of negotiating the acquisition of property by UW-Madison,

as permitted by s.19.85(1)(e), Wis. Stats.; to consider appointments to the UW-Milwaukee, UW-Whitewater, and UW-Centers Boards of Visitors, to consider naming a room and theater after a person, UW-

request

Whitewater, and to consider whether to grant a

all

for review of a complaint against faculty members,

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.

REPORT OF THE PRESIDENT OF THE BOARD

Welcome to Regent Brigit Brown

President Grebe began his report by welcoming the new student Regent, Brigit E. Brown of UW-LaCrosse, where she is a student majoring in Economics.

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Farewell to Regent Paul R. Schilling

As Regent Grebe called on Regent Gelatt to read Resolution 6970, he noted that, in a time when it hasn't always been popular to really care, he had found it to be a pleasure to serve with Regent Paul Schilling who "clearly cares deeply about the institution." Regent Gelatt then read the following Resolution of appreciation.

Resolution of appreciation: Paul R. Schilling

Resolution 6970: Whereas, Paul R. Schilling has completed 14 years of distinguished service and leadership as a Regent of the University of Wisconsin System; and

Whereas, Regent Schilling held the office of

President

of the Board from 1988-1990, Vice President of the Board from 1986-1988, and Chair of the Education Committee from 1982-1985; and

Whereas, among the most significant accomplishments achieved with his leadership was implementation of Planning the Future, the Regents' strategic plan

which

set forth the policy of enrollment management and other policies which have been of critical importance in safeguarding and enhancing the quality of the UW System; and

Whereas, other important achievements he was instrumental in advancing include the Joint Statement of Principles to increase transfer opportunities between the UW institutions and Wisconsin technical colleges; improvements in credit transfer from UW Centers to other UW institutions; and adoption of policies on licensing and on competition with the private sector; and

university

Whereas, his counsel has been sought and valued by Regents, Chancellors, and System Presidents, for his clear view of shared governance in a public

system; and

Whereas, the wealth of knowledge and experience he brought to the Board and the immense amount of time and energy he has devoted to Regent responsibilities during his 14-year tenure represent a standard of highest quality in public service and university governance;

of

Therefore, be it resolved that the Board of Regents

Wisconsin;

the University of Wisconsin System hereby commends Paul Schilling for the exceptional service he has rendered to the UW System and the people of

and

higher

Be it further resolved that, with great appreciation for the excellent leadership he has provided and the significant contributions he has made to public

to

education in Wisconsin, the Board of Regents grants

Paul Schilling the status and title of Regent Emeritus.

Resolution 6970 was seconded by Regent Dreyfus, and was adopted unanimously with a show of applause.

Regent Schilling thanked the Board, and graciously acknowledged the contributions and support of his wife, Carol, and his family. While saying a few words about the institution, the people, the future and the Board, he stated that the University of Wisconsin is "the State's greatest treasure," and praised the wisdom of the forefathers and mothers who devoted their scarce resources to build "one of the best institutions of public higher education in the world." He noted that no other single institution has greater positive impact on Wisconsin families, and cited his own family's connection to the UW System as a good example of UW's institutions having educated a whole generation. Noting that his family is not an exception, he suggested that "it's the rule that Wisconsin's citizens expect and get quality higher education at all levels." Citing Regent Lubar's observation about the dramatic impact this institution has on economic development--both in

preserving current resources and building a future--Regent Schilling stated that he believes "no institution contributes more to the economic well-being of Wisconsin," and that it is a "treasure" that needs to be carefully guarded.

Observing that there were many people about whom he could talk fondly and with great admiration, Regent Schilling singled out President Lyall, who had impressed him early in her tenure as an Academic Vice President "full of ideas and with great courage." He noted that she has been an inspiration and is an outstanding System President. Regent Schilling also noted the contribution of Jude Temby, whom he described as a "walking history of this institution" and an asset to the system.

In regard to the future of the University System, Regent Schilling reminded his audience that since 1981 GPR support for the System has dropped from 43% to 34% as a result of the serious competition for funding. With the reduction in State support, tuition has increased 166% since 1981, and student contribution to cost of instruction has risen from approximately 25% to 33% or 34%--and resources may decrease more in the next biennium. In view of these figures, Regent Schilling commended Regent Grebe for developing a means of planning for the future. He urged the Board to continue to resist making across the board cuts, citing them as "the clear route to mediocrity." Instead, he suggested that the Board of Regents should study its resources, make the cuts that are necessary, and make them in a way that the public is aware of them. Citing enrollment management as a "bold" example of this approach, Regent Schilling stated that "one of the worst things this institution could do is gradually reduce its effort without people being aware that the quality is going and that the quantity is going." He noted that he was confident that with the input and leadership of President Lyall and the Chancellors, the Board would be able to make the right policy decisions.

Regent Schilling concluded his remarks by observing the temptation to "manage rather than make policy" as a member of the Board of Regents. Suggesting that a strong Board is essential and that, while this Board has become stronger and stronger, they have also instilled discipline in themselves and on the institution to allow the managers to manage. He cited the advice regarding Regent conduct given to him by UW System Regent Mary Williams: "Ask plain English questions and demand plain English answers." On this note, Regent Schilling thanked the Board of Regents for the honor of serving with them.

Regent Dreyfus observed that perhaps the greatest impact of Regent Schilling occurred when he was a junior and senior at UW-Stevens Point. He credited Student Government President Paul Schilling for the legacy of responsible student involvement that led to statutory student participation in shared governance.

Farewell to Chancellor Betty J. Youngblood, UW-Superior

Regent Grebe called upon Regent Krutsch to read Resolution 6971.

Resolution of appreciation: Betty J. Youngblood

Resolution 6971: Whereas, Betty J. Youngblood has served the University

of Wisconsin-Superior and the citizens and communities of northern Wisconsin with dedication, energy, intelligence, and creativity as chancellor since May of 1992; and

Whereas, she has been instrumental in demonstrating to Superior and northern Wisconsin what a powerful and useful resource the University is; and

Whereas, these efforts have included reaching out, throughout the community and region, to establish new partnerships--and friendships--that have enhanced the university's ability to meet local needs and build public support; and

Whereas, she also has worked tirelessly to nurture and build continued quality and visibility in undergraduate programs, as set forth in the Superior Plan and as embodied in UW-Superior's select mission; and

Whereas, under her care and attention, UW-Superior emerged from its 1993 centennial with a focused, strategic plan to maintain quality in established programs and build success in emerging areas of student and marketplace demand; and

Whereas, she is now forsaking the frigid blessings of northern Wisconsin winters to become president of Western Oregon State College; and

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 Betty J. Youngblood upon her departure;

with gratitude for her five years of UW System service, her advocacy on behalf of students, faculty and staff, and her commendable spirit of goodwill.

Regent Lubar seconded the resolution, which was adopted unanimously with a show of applause. Chancellor Youngblood briefly thanked the Board of Regents, President Lyall, the System administrators, her chancellor colleagues, and the campus community in Superior for the opportunity to have served in the University of Wisconsin System, as well as for their assistance and support.

Report of the Regent Member of the Educational Communications Board

Pointing out a report which had been provided to the Regents by Regent Gelatt, Regent Grebe asked if he had any comments to add. Regent Gelatt stated that the Educational Communications Board "is not favorably disposed" to suggestions of combination as the process continues. He suggested that the representatives to the study committee from the Board of Regents could be appointed this summer.

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Legislative Report

There was no written Legislative Report submitted, and Regent Grebe invited Vice President Olien to provide an oral report. Vice President Olien noted that the adjournment of the Legislature allowed him to comment on the future and the process that evolved, as well as to acknowledge the people (in addition to System and campus legislative liaisons) who worked on the challenging budget. Noting that the budget still contains significant challenges, Vice President Olien observed that it is the result of a public decision-making process that reflected the partnership between the University of Wisconsin System and elected officials in this state. He suggested that one important outcome of this session was a new spirit of cooperation that emerged during the legislative session. He credited many individuals and their efforts with the creation of this new spirit: bi-partisan Legislative leaders, the Co-Chairs of the Joint Finance Committee and other committee members, the Chairs of the two education committees, legislators representing communities both near and far from UW institutions, President Lyall, the Chancellors, the Board of Regents, the state's business community, campus alumni and friends of the UW. He also recognized Governor Thompson's support of this budget, as well as his advocacy of preserving a quality UW hospital and clinics. In particular, he noted that the UW System Chancellors worked for over a year before the final budget decisions, hosting over a hundred legislative visits and sharing their excitement for campus developments with legislators. The ability of the Chancellors to allow legislators to observe the impact of various alternatives on students meant that decisions were made based on real people rather than on statistics.

Conceding that challenges still remain before the UW System, Vice President Olien stated that "the doors downtown are open, a civic, civil, and healthy dialogue has begun in the very best traditions of good government." He noted that this dialogue will be important in the next biennium, as UW-System works to see that the reductions in this budget are not repeated.

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Board of Regents Meeting, August 24, 1995

Regent Grebe reported that there will be a meeting of the Board of Regents in Madison on the afternoon of Thursday, August 24th. The focus of the meeting will be on the plan to implement budget reductions which must be submitted to the Joint Finance Committee by September 1, 1995. While other business will be accomplished, the meeting will be devoted to consideration of

the budget cuts. Regent Grebe then announced the beginning of a Board exercise on planning for the UW System in the 21st Century, in which many members of the Board of Regents had expressed a keen interest. Given the knowledge of the biennial budget, Regent Grebe cited the need to begin a planning exercise in order to anticipate what the UW-System will look like in the 21st Century. He carefully pointed out that this exercise is not being undertaken because the system is flawed; rather, he cited the leadership of the System President and the Chancellors for maintaining the quality, access and affordability of the UW-System during a decade of extraordinary change. Regent Grebe expressed his desire to "parallel" the Strategic Planning Exercise undertaken 10 years ago in the form of a Board planning exercise (rather than a Systemwide long-range planning effort involving the entire institution) which would begin at the August meeting. It would be a "very focussed" exercise by the Board of Regents (with full participation of President Lyall and the Chancellors), and would involve examining key issues, establishing strategic guidelines and making recommendations to help guide the institution and System for several years in the future.

Regent Grebe suggested that the August meeting begin at noon with a round-table session consisting of the Board, the Chancellors and President Lyall, to address the exercise and the issues upon which they should focus. He expressed his preference for a short list (6,8 or 10 items) of key issues, and focus on one of them at each meeting during the coming year, using Thursday afternoons for planning and Friday for regular Board and Committee meetings.

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Departure of Victor Ponelis, Research Assistant

Regent Grebe concluded his report by acknowledging the departure of the Board's Research Assistant, Victor Ponelis. On behalf of the Board of Regents, Regent Grebe expressed great appreciation for the conscientious attitude and good work of Mr. Ponelis, and added that the Board is "sorry to see him leave." The Board endorsed these comments with a show of applause.

Regent Grebe continued by stating that the Research Assistant position had been eliminated under the 1995-97 budget, and noted that the departure of Mr. Ponelis represents the inevitable human aspects of the decisions made by the Board and other decision makers in the State. He observed that such decisions made in the System have an impact on the lives of the people who participate in the System, and stressed that the Board understands this impact, and empathizes both with the decisions makers who have to make difficult decisions as well as with the people who are affected by those decisions.

REPORT OF THE PRESIDENT OF THE SYSTEM

Departures and Arrivals

President Lyall began her report by thanking Regent Schilling for his

years of service with the Board of Regents, citing his steadfast commitment to quality, enrollment management, as well as his commitment to students in relation to resources as "pivotal" in maintaining the excellence of the UW System. She expressed the hope that he would continue to offer advice for the Board Planning Exercise planned by Regent Grebe. She then expressed her gratitude and offered her best wishes to Chancellor Youngblood, remarking that her efforts regarding the use of distance learning at UW-Superior have established a foundation on which the University can build for the future. President Lyall then welcomed Regent Brown and Senior Vice President for Administration Keith Sanders.

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Biennial Budget

President Lyall reminded the Board of Regents that the Legislature has completed work on the 1995-97 biennial budget and has forwarded it to the Governor for his signature. She noted that today's agenda contains a request for the allocation of first year funding to the institutions, contingent on the Governor's final approval. She suggested that adjustments that might be required by veto actions could be made at the August meeting. At that meeting, the report to the Joint Committee on Finance regarding the required cuts of \$43 million (to be submitted on September 1, 1995) will be discussed.

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Board Exercise on Planning for the UW System in the 21st Century

President Lyall endorsed Regent Grebe's proposal to use the coming academic year to examine the direction of the UW System in the next decade, and noted that both the educational and financial challenges are substantial. Observing that the Wisconsin Idea had been motivating the UW System for 75 years, she asked whether that vision is still relevant to the decade and century ahead, and, if so, what form it should take in an era of changing technology and the competition of national and global markets. Quoting Paul Valery, who said "the best way to make your dreams come true is to wake up," she called the biennial budget a "wake-up call" for those who will plan the future of higher education in Wisconsin. With the Chancellors, she stated that she is looking forward to working with the Regents on the Board Planning Exercise.

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Good News Items

Cray J90 Series Computers: UW-Stout and UW-Madison

President Lyall noted that congratulations are due to UW-Stout, which, in partnership with the State Department of Development, will acquire a Cray J90 series computer in Fall of 1995. Noting that UW-Madison also recently acquired a Cray computer, she observed that these gifts have come at an opportune time, since UW's institutions are unable to make these kinds of technical investments alone.

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UW-Whitewater: Three-year Undergraduate Degree Program

President Lyall reported that UW-Whitewater recently became the first UW institution to offer a three-year undergraduate degree program to those students who want to apply themselves intensively, limit costs, and enter the job market quickly. In addition to saving time and money for students, President Lyall pointed out that such a program enables the University to serve more students in a given period.

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MacArthur Fellowship: Professor Joel Rogers, UW-Madison

President Lyall reported that Professor Joel Rogers, of the UW-Madison Law School, was named a MacArthur Fellow. He is currently the director of the Center on Wisconsin Strategy.

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National Media Program Fellows Hosts: UW-Madison and UW-Stout

UW-Madison and UW-Stout have been selected to host the National Media Program Fellows as part of the CASE National Media Program. This program allows journalists with national news programs and magazines to spend time on a campus to study a topic in depth.

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One of Computerworld Magazine's Best Places to Work: UW-Stevens Point

President Lyall concluded by reporting that UW-Stevens Point had been cited (along with institutions such as the Library of Congress and the University of Southern California) in the June 1995 issue of Computerworld as one of the 100 Best Places to Work for information technology staff. She added that UW-Stevens Point's information technology environment is the result of a partnership between AT&T and the campus.

REPORT OF THE PHYSICAL PLANNING AND DEVELOPMENT COMMITTEE

Regent Dreyfus, Chair, provided the report. He stated that the Committee had unanimously approved Resolutions 6980 - 6990, and moved their adoption by the Board of Regents. The motion was seconded by Regent Orr, and the Resolutions passed unanimously.

UW-Eau Claire: Authority to construct Fine Arts Center - Art Wing
Ventilation and Remodeling Project

Resolution 6980: That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, authority be granted to construct a

Remodeling

Fine Arts Center - Art Wing Ventilation and

project, at a total cost of \$713,000 using All-Agency Funds (\$630,000 Health, Safety, and Environment funds and \$83,000 Facilities Repair and Renovation Funds).

UW-La Crosse: Authority to construct Carillon and Clock Tower Project

Resolution 6981: That, upon the recommendation of the UW-La Crosse Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Carillon and Clock Tower at a cost of \$132,300, using Gift Funds.

UW-La Crosse: Authority to name Clock Tower

on

and

Resolution 6982: That, upon the recommendation of the UW-La Crosse Chancellor and the President of the University of Wisconsin System, authority be granted to name a Carillon and Clock Tower, which will be constructed

the campus, "The Jake and Janet Hoeschler Carillon

Clock Tower."

UW-Oshkosh: Authority to Grant Two Easements

Assistant

documents

Resolution 6983: That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, authorization be granted for the President or Vice President and Secretary or

Secretary of the Board of Regents to execute

granting two adjoining easements to the University of Wisconsin-Oshkosh Credit Union.

UW-La Crosse: Approval of Design Report and Construction Authority for Primary Electrical Distribution System Repair Project

Resolution 6984: That, upon the recommendation of the UW-La Crosse Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority granted to construct a Primary Electrical Distribution System Repair project at a cost of \$2,100,700 using All-Agency Utilities Repair and Renovation funds.

UW-Madison: Authority to Construct a 1995-96 Eagle Heights Apartments Remodeling Project

Resolution 6985: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a 1995-96 Eagle Heights Apartments Remodeling Project including all units in Building 707; Units A-F in

Buildings 809, 810, 811, 812, 813, 814, 815, and 816, and Units A, B, E and F in Building 817, at an estimated total project cost of \$2,590,000, using Program Revenue-Cash.

UW-Madison: Authority to Increase the Budget Below Alumni Center Addition and Remodeling Project

Resolution 6986: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the Center budget for the Martin and Florence Below Alumni Addition and Remodeling project by \$211,200 of Gift Funds, for a revised total project cost of \$2,621,200 of Gift Funds.

UW-Madison-Authority to Remodel Space in the Service Memorial Institute for the Medical School

Resolution 6987: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to remodel 2,725 GSF in the Service Memorial Institute for the Medical School, at a total estimated project cost of \$249,900, using Gift and Grant Funds.

UWC-Marathon County: Approval of Marathon County Plan to Construct and Fund a Library/Student Union/Bookstore Addition and Remodeling Project and Authority to Seek State Funding for Movable and Special Equipment

Resolution 6988: That, upon the recommendation of the UW-Centers Chancellor and the President of the University of Wisconsin System, approval be granted for the Marathon County plan to construct and fund a Library/Student Union/Bookstore Addition and Remodeling project at the University of Wisconsin Center-Marathon County at an estimated cost of \$7,500,000 and authority granted to seek state funding to provide Movable and Special Equipment at an estimated cost of \$814,100, from the 1995-97 Statewide Equipment Funding for UW Centers.

UW-Madison: Authority to Enter Into a Six Year Lease Chilled Water/Steam Sale Agreement with Wisconsin Alumni Research Foundation and to Grant Construction Easement and Authorize Connection of WARF Building to the Walnut Street Heating Plant

Resolution 6989: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted:

- (1) to enter into a six-year agreement for the sale of chilled water and steam to the Wisconsin

Alumni Research Foundation (WARF) to serve the WARF office building located at 610 Walnut Street and leased by the University of

Wisconsin

- Madison,

- (2) to grant a construction easement to allow WARF to construct utility lines on University land, and
- (3) to connect the Walnut Street Heating Plant to the WARF facility.

UW-Madison: Approval of a Budget Increase for the Engineering Building Total Facility Performance Project

Resolution 6990: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase scope of work and the project budget for the Engineering Building Total Facilities Performance - Phase 2 project by \$400,000 of General Fund Supported Borrowing - All Agency Funds, for a revised total project cost of \$5,610,000 (\$5,210,000 of General

Fund

Supported Borrowing - WISTAR and \$400,000 General

Fund

Supported Borrowing - All Agency Funds).

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Report of the Vice President for Physical Planning and Development

Annual Report on UW-Madison's University Research Park

Regent Dreyfus reported that Wayne McGown, Director of the UW-Madison University Research Park, informed the Committee that there now are 58 tenants, with 1,400 employees, and three foreign companies in the Research Park which was created by Board action at its June 8, 1984 meeting. Of the total 321 acres in the original Charmany-Rieder Farms parcel, 251 acres were optioned to University Research Park, Inc. Mr. McGown reported that 80% of the Rieder property and 13% of the Charmany property is leased or sold. This represents approximately 40% of the total. The normal timeline for achieving total utilization would be 15 years but Mr. McGown expects this may occur in less time, based on current levels of interest. Approximately 40% of the land

is privately owned, 40% is owned by the Research Park Corporation, and 20% is owned by the university/state. This is represented by the Sports Medicine Center and the former hospital which was purchased for use by the Medical School's Department of Psychiatry. Since the mission of the Park is technology transfer between the Park and the university community, two tenants

of the Park appeared before the Committee: Bradley Boyce, President and Chief Executive Officer of Stress Photonics, and Tedd Pruss, Ph.D., Chairman, President, and Chief Science Officer of Clarion Pharmaceuticals. Each described the focus of their firms and the interrelationships of their

operations with the university. Regent Dreyfus stated that both presentations were impressive and demonstrated that the mission of the Park is being achieved.

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Deferred Maintenance Backlog

The quarterly status report on reduction of the University of Wisconsin System Deferred Maintenance Backlog revealed that, since the first report was presented in February 1995, \$6.5 million has been received in the January-March 1995 quarter. (A total of \$123.8 million had been received through December 31, 1994.) Approximately \$130.3 million has been applied toward the deferred maintenance backlog, leaving a balance of \$233.8 million. The 10-year schedule anticipates expenditures totaling \$135 million by this date; thus, the report indicates that the reduction of the backlog is nearly on schedule in terms of total expenditures. The Report indicates that expenditures for utilities and health and safety projects are ahead of schedule, while facilities repair and renovation expenditures are behind schedule. Regent Dreyfus noted that while the existing backlog identified in the original ten-year plan is being addressed, a new backlog is being created.

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Report on Bonding Cuts in 1995-1997 Capital Budget

A report on action taken by the State Building Commission at its June 21 meeting as it relates to bonding cuts in the 1995-97 Capital Budget was presented to the Committee. Vice President Brown had reported at the June Physical Planning and Development Committee meeting of the Joint Committee on Finance action placing a \$375 million ceiling on the overall level of new bonding authority to be included in the 1995-97 Capital Budget. That ceiling resulted in a need to reduce the bonding for all state agencies by approximately \$62 million. The UW System's proportionate share would have been about \$18 million. The cut taken by the Building Commission was \$52 million. Vice President Brown said it is possible to negotiate to have the reductions made in Program Revenue funding so that there will be a minimal impact on GPR instructional facilities. He also called attention to an additional \$4 million cut which occurred in the System budget due an error by Legislative Fiscal Bureau staff. This would impact the classroom remodeling and in-building wiring related to the distance education initiative of the Board. The Committee was told that the Fiscal Bureau staff is having a bill drafted for submission in the fall session which will correct the error. Robert Brandherm, Administrator of the Division of Facilities Development, Department of Administration, said no problems were anticipated; however, there is always the potential for difficulties when a separate bill has to be advanced.

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Annual UW System Landholding/Leased Space Report

Regent Dreyfus reported that the 1995 UW System Landholdings/Leased

Space Report is a Board-required report presented for information only. It presents the System landholdings as of June 30, 1995, by campus and by county and reflects, by university, land transactions which have taken place since the 1994 report. This year's report shows that the UW System acquired 30.82 acres of land and disposed of 23.90 acres since the last report, and has a total of 17,985.11 acres of land held in the name of the Board of Regents:

- * 4,640.14 acres comprise the main campuses
- * 13,344.97 acres are non-contiguous acreage composed of:
 - 6,037.45 acres Arboretum property
 - 6,969.16 acres Experimental Farm lands

In view of impending staff reductions, an inquiry was made regarding the staff time involved in preparing this report and whether there is sufficient utility to warrant this investment. Regent Dreyfus reported that the Committee was informed that, although the document is lengthy, it only reports changes from the previous year. Associate Vice President Bruce Braun added that the report is used frequently throughout the year to respond to inquiries from DOA, the legislature, and the public; further, it is expected to be fully computerized by the end of the year, reducing the amount of staff time. The Committee took no action to recommend discontinuing the Annual Report.

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Presentation: Division of Responsibilities between UW System Administration and the Division of Facilities Development

Regent Dreyfus reported that Mr. Robert Brandherm, Administrator of the Division of Facilities Development, was present at the Committee meeting to discuss the memorandum and related attachment prepared by Vice President Paul

Brown on the division of responsibilities between the UW System Administration

and the Division of Facilities Development, after reductions in System Administration Capital Budget staff occur October 1. It was pointed out to Mr. Brandherm that the Regents are owners and stewards of and have responsibility for 1,600 buildings and 18,000 acres of land held in their name. He had been invited to attend the meeting in order to share his ideas about the division of responsibilities and for the Committee to discern his commitment to work cooperatively with Vice President Brown and his remaining staff to assure that the System's investment is protected. Regent Dreyfus noted that, despite UW System and DFD status as institutions within the same state government, it appears that the System's involvement and oversight responsibility is being weakened. In response to Regent Schilling's question,

Mr. Brandherm said that no additional permanent staff were being hired to handle this increased workload. Needs which could not be met with his existing staff would be directed to private consulting firms at no cost to the

System unless a project is activated. He identified a number of changes which

he was examining to streamline processes, although Vice President Brown commented that many of these relate to activities in which System staff had no

involvement, such as construction supervision and contract administration. Mr. Brandherm seemed confident that it will be possible for him and his staff to manage these additional demands, although Associate Vice President Braun stated the 60% reduction in System staff was accompanied by no more than a 20% reduction in workload--there may be far more demands on DFD staff than anticipated.

Regent Schilling said he continued to feel that the decision which resulted in the reduction in System Administration staff was a poor one and reflected bad public policy. He questioned Mr. Brandherm as to why the University Research Park model could not have been adopted by DFD: delegate greater responsibility to the System to manage its own project development and implementation, without DFD being involved. The general freedom to handle day-to-day operations produced a successful Research Park and seems to be a concept which might be emulated. He further stated that it was critical that the Board make it absolutely clear that the UW is, in fact, a System and not a loose confederacy. If DOA respects this fact in all of its dealings related to capital budgeting matters, it would increase the probability of success under the new organizational structure.

Mr. Brandherm stated that he viewed himself and DFD not as policemen but, rather, as team players and participants with a common goal of achieving the best job for the lowest price. It was important, he felt, to not be in a position of reacting but, instead, he and DOA staff should be early participants in discussion. Regent Lubar said he was pleased to hear this view stated although he questioned whether this should extend, as Mr. Brandherm suggested, to development of biennial capital budget priority lists prior to Regent involvement. Regent Lubar felt that it was important that informal discussions between the two agencies continue as they have in the past. However, he felt it should be the on-going responsibility of the UW System staff to present recommendations to the Regents based on their assessment of System needs, whether or not there was full DOA agreement with the recommendations. Regent Schilling also questioned how the DFD could expect to recommend projects to this Board without compromising its role as staff to the Building Commission. He stated that it is important that the Board retain the ability to prioritize projects in order to operate effectively as a System.

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Closed Session Action

The Report concluded with Regent Dreyfus stating that at 4:15 p.m., the Committee voted to convene in closed session for purposes of negotiating the acquisition of property by UW-Madison, as permitted by s. 19.85(1)(e), Wis. Stats., and to consider personal histories, as permitted by s. 19.85(1)(f), Wis. Stats., relating to naming a theater and a room at UW-Whitewater.

REPORT OF THE BUSINESS AND FINANCE COMMITTEE

Regent Gelatt, Chair, provided the report. Stating that Resolutions

6991 - 6995 had been passed unanimously by the Committee, Regent Gelatt noted that Resolution 6993 had been approved contingent on amendment to require that any change in the Bylaws be brought to the Board of Regents for approval. He moved the adoption of Resolutions 6991 - 6995; the motion was seconded by Regent Orr and passed unanimously.

Contractual Agreement with Bayer Corporation

Resolution 6991: That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison, the Board of Regents accepts the agreement with Bayer Corporation entitled, "D92-047, A Multicenter, Double-Blind Placebo Controlled, Parallel Group Study of the Safety, Tolerability and Efficacy of Three Fixed Doses of Ipsapirone CR (Bay Q 7821) versus Placebo in Outpatients with Major Depressive Disorder."

Contractual Agreement with DuPont Merck Pharmaceutical Company

Resolution 6992: That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison, the Board of Regents accepts the agreement with DuPont Merck Pharmaceutical Company entitled, "Data Analysis Center for Coumadin + Aspirin."

WLHA-FM Radio License

Resolution 6993: That, upon the recommendation of the Chancellor of UW-Madison and the President of the UW-System, the Board of Regents agree to apply for licensing by the Federal Communications Commission (FCC) to construct and operate a broadcast radio station, under the call letters of WLHA-FM.

Gender and Race Equity Project: Category B Salary Adjustments

Resolution 6994: That, upon the recommendation of the President of the University of Wisconsin System, the Category B gender and race equity salary adjustments (Exhibit A) be approved.

Further, that the UW System President is given the authority to review and approve on behalf of the Board of Regents, any Category B gender and race equity salary adjustments which are deemed necessary at UW-Madison.

Phaneuf Medical Research Trust (Pipeline Easement, Oklahoma Land)

Resolution 6995: That the offer of Cimmarron Gas Company to acquire a permanent easement for a pipeline 164.72 rods in length for a consideration of \$1,372.66 be accepted; and that the President or Vice President and

Secretary

or Assistant Secretary be authorized to sign the easement. The farm land is in Texas County,

Oklahoma,

and we own an undivided 1/3 interest as one of the assets of the Phaneuf Trust. The owners of the other 2/3 interest have agreed to accept the same offer tendered to us. The \$1,372.66 payment will be added to the Duane Phaneuf Medical Research Fund.

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1995-96 Operating Budget

Regent Gelatt, referring to President Lyall's presentation of the 1995-96 Operating Budget, summarized her remarks by observing that it contains both good and bad news for the UW System: the lab and classroom modernization program was not sunsetted, and some significant flexibility to generate and use program revenues is allowed; however, the budget contains only 1% compensation increases for faculty and staff, no financial aid increases for students, and an overall \$43 million ongoing base budget reduction for the System as a whole. Resident undergraduate tuition would increase 5.5% at UW-Madison and 6.5% at all other institutions. David Stacy and Kristy Winter, of United Council, and Jason Hellwig, President of the UW-Green Bay Student Association, spoke in opposition to the budget cuts and the tuition increases these cuts require; they also noted the negative impact of tuition increases on student access. Regent Gelatt noted that if gubernatorial vetoes significantly affect the UW budget appropriation, President Lyall will seek Board action to revise the annual budget allocations at the August meeting. Reporting that the Resolution was passed by the committee after more Regent discussion, Regent Gelatt moved the adoption of Resolution 6996. The motion was seconded by Regent Dreyfus and passed unanimously.

Resolution 6996: That, upon the recommendation of the President of the University of Wisconsin System, the 1995-96 operating budget be approved, including rates for academic tuition, and tuition refund policy and schedule, segregated fees, textbook rental, room and board, apartments, parking, University Hospital, and student fee funded reserves, as reflected in the document 1995-96 Operating Budget and Fee Schedules, July 1995.

The 1995-96 amounts are:

GPR	\$ 851,216,967	(32.0%)
Academic Tuition	386,037,303	(14.5%)
Total GPR/Fees	1,237,254,270	(46.5%)
Other	1,422,715,654	(53.5%)
Total	\$2,659,969,924	(100.0%)

That the President of the University of Wisconsin

System is authorized to make final detailed allocations and make necessary budget and accounting changes to reflect final state budget action. Adjustment of academic tuition is subject to review and approval of the Executive Committee of the Board of Regents.

That the 1995-96 annual budget allocation decision rules, as amended to reflect subsequent legislative action, be approved.

Academic tuition for Minnesota Reciprocity students will be incorporated into the 1995-96 Academic Fees/Tuition Schedule upon receipt of final Minnesota tuition information.

In response to concerns about tuition increases, Regent Krutsch stressed the importance of making 4 year degrees truly available for students, since reducing time to degree has more financial impact on students and their families than do rate increases. Regent Gelatt noted that these concerns are addressed by degree audit systems which allow students to understand course requirements for their majors and transfer systems that ensure that students understand the consequences of campus transfers; he added that the institutions are committed to keeping their systems updated and easy to use. Regent Krutsch also expressed concerns about accreditation, which she perceives as contributing to the problem; she suggested that other universities may be interested in studying this problem along with UW System. Regent Gelatt responded by noting that recent decisions on accreditation allow the professional accrediting agencies to be more focussed on the essential part of their job.

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Approval of Minutes

The minutes of the June 8, 1995, meeting of the Business and Finance Committee stood approved.

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Report: UW-Madison Intercollegiate Athletics Projected Financial Status at end of 1994-95

Regent Gelatt reported that Pat Richter, Director of Athletics at UW-Madison, reported that the Athletic Department budgeted a net margin of \$560,000 for 1994-95. Due to the success of the football program and the resulting ticket and licensing income increases, they are projecting a margin of \$1.4 to \$1.7 million at year-end based on May 1995 financial information. It is anticipated that the operating contingency reserve at the close of 1994-95 will be around \$1.5 million.

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Trust Funds

Regent Gelatt presented proposed revisions to the Income Fund to the Committee. The revision would split the current income fund into a cash fund and a unit-valued intermediate-term bond fund. It is anticipated that this change will be accomplished at December 31, 1995. In September, the Committee will approve definitions and objectives for the components of the Trust Funds and make the first of the annual asset mix allocations required by the new guidelines.

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Gifts, Grants and Contracts

Vice President Marnocha reported to the Committee that total gifts, grants and contracts for the 12-month period ended June 23, 1995, were \$607.8 million, an increase of \$66.7 million over the previous year. Federal awards increased by \$41.6 million, while non-Federal awards increased by \$25.1 million.

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Board of Regents Meeting Costs

Regent Gelatt reported that Regent James had noted that with UW budget cuts, the issue of saving money on Regents' meetings should be examined. It was noted that Regents' meetings cost about \$14,000. The Committee expressed an interest into looking into this issue further if it is not addressed as part of the Regent Planning Exercise. Regent Grebe suggested that this item be put on the agenda for a Business and Finance Committee meeting in the near future. Regent Orr inquired whether this item would include the issue of attendance of the meetings and the benefits of attendance, and suggested that this also could be an issue addressed by President Lyall.

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Audit Subcommittee

The Business and Finance Committee adjourned at 3:10 pm, and Subcommittee Chair Hempel called the Audit Subcommittee to order.

Quarterly Internal Report

Internal Audit Director Brunkow presented the Fourth Quarter Internal Audit Report to the Subcommittee, noting the findings of a number of recently-completed audits. Concluding his report, Regent Gelatt reported that the Audit Subcommittee adjourned to closed session, pursuant to s. 19.85(1)(f), Wis. Stats., to discuss personnel issues.

REPORT OF THE EDUCATION COMMITTEE

Regent Krutsch, Chair, provided the report. She introduced Resolutions 6972 - 6979, which had been approved by the Education Committee and moved

their adoption as consent agenda items. The motion was seconded by Regent MacNeil, and the Resolutions carried unanimously.

UW-Parkside: Revision to UWPF Chapter 6.02 Faculty Policy and Procedures

Resolution 6972: That, upon recommendation of the Chancellor of the University of Wisconsin-Parkside and the President of the University of Wisconsin System, the revision to UWPF Chapter 6.02 of the UW-Parkside Faculty Personnel Policies and Procedures be approved.

UW-Milwaukee: Revisions to ss.5.177, 3.18 and 5.18 Faculty Policies and Procedures

Resolution 6973: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the revisions to ss. 5.177, 3.18 and 5.18 of the UW-Milwaukee Faculty Personnel Policies and Procedures be approved.

Authorization to recruit: Dean, College of Arts and Sciences University of Wisconsin-Eau Claire

Resolution 6974: That, upon recommendation of the Chancellor of the University of Wisconsin-Eau Claire and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Dean of the College of Arts and Sciences.

Authorization to recruit: Dean College of Business Administration University of Wisconsin Oshkosh

Resolution 6975: That, upon recommendation of the Chancellor of the University of Wisconsin-Oshkosh and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Dean of the College of Business Administration.

Authorization to recruit: Chancellor University of Wisconsin Superior

Resolution 6976: That the President of the University of Wisconsin System be authorized to recruit for a Chancellor of the University of Wisconsin-Superior.

Authorization to recruit: Associate Superintendent (Chief Financial Officer University of Wisconsin Hospitals and Clinics, University of Wisconsin-Madison (at a salary that exceeds the Executive Salary Group Six Maximum)

Resolution 6977: That, upon recommendation of the Chancellor of the

University of Wisconsin-Madison and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for an Associate Superintendent (Chief financial officer), UW Hospitals and Clinics, (at a salary that exceeds the Executive Salary Group Six maximum).

UW-Milwaukee: Authorization to recruit Dean of Engineering and Applied Science

Resolution 6978: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of

the University of Wisconsin System, the Chancellor be authorized to recruit for a Dean of the College of Engineering and Applied Science, at a salary that exceeds the Executive Salary Group Six maximum.

UW-Madison: Appointment of named professor

Resolution 6979: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the status of Professor Thaleia Zarophopoulou-Sougandis, School of Business, UW-Madison, be changed to Harold G. and Margaret W. Laun Professor, School of Business, effective immediately.

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Report of the Senior Vice President for Academic Affairs

Report on Private Matching Funds for UW System Schools of Business

Regent Krutsch stated that Senior Vice President Ward had reported to the Committee regarding a report on private matching funds for UW System Schools of Business, required to be submitted annually by President Lyall to the Joint Committee on Finance. The report shows the status of each university's private fund raising for both 1994-95 and the upcoming year. For 1994-95, institutions were able to raise in total more than the required private matching funds.

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UW-Whitewater Wheelchair Basketball Team

Senior Vice President Ward had also reported that the 1994-95 UW-Whitewater Warhawk Wheelchair Basketball Team attained a No. 10 ranking among the nation's Top Ten teams; furthermore, two UW-Whitewater alumni and former members of the UW-W Warhawk Wheelchair Basketball Team are among 20 finalists competing for positions on the 1996 U.S. Men's Paralympic Wheelchair Basketball team.

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UW-Eau Claire Student Research Days

The third annual UW-Eau Claire Student Research Days took place May 1-2. One hundred and eight poster presentations representing 31 academic departments were made by 175 students (148 undergraduates); 91 faculty and academic staff members served as mentors for the students. The event was attended by the UW-Eau Claire academic community, local citizens, and Board of Regents President Grebe.

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UW System Strategic Plan for Information Technology

Senior Vice President Ward, who had presented the UW System Strategic Plan for Information Technology to the Business and Finance Committee last month, presented the plan to the Education Committee. (The plan is summarized in Minutes of the June 1995 Meeting of the Board of Regents.) Regent Krutsch reported that Regent Randall expressed concern that a growing disparity in availability and use of technology in K-12 districts might further disadvantage some students entering the UW System. Chancellors described short courses and tutorials that are currently made available to students to "bring them up to speed" in the use of technology. Regent Smith asked if there has been "buy-in" from the campuses in the technology plan, and whether this is a system or a campus priority. He also asked who is responsible for information technology at the UW System level, and Senior Vice President Ward replied that he is the officer with the primary responsibility. Regent Krutsch reported that she asked if technology was more likely to improve the quality of educational experiences than to be cost-effective. Senior Vice President Ward replied that there might be some "cost-avoidance."

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Teacher Education Lateral Review

This review was deferred.

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Closed Session Action

Regent Krutsch concluded her report by noting that the Committee adjourned to closed session to consider personnel matters and adjourned at 3:00 p.m.

EXECUTIVE COMMITTEE MINUTES

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

EXECUTIVE COMMITTEE

Minutes of the meeting

June 28, 1995
10:30 a.m.

Held by telephone conference

Executive Committee members participating: Regent President Grebe,
Regent Dreyfus, Regent Gelatt, and
Regent Schilling

Executive Committee members not participating: Regent Lubar, Regent Krutsch,
and Regent Steil

The meeting was called to order at 10:30 a.m., at which time it was moved by Regent Dreyfus that the Committee recess into closed session to consider employment and salary matters, as permitted by s.19.85(1)(c), Wis. Stats. The motion was seconded and adopted on a unanimous roll-call vote with Regent Dreyfus, Regent Gelatt, Regent Grebe and Regent Schilling voting in the affirmative.

The meeting was adjourned at 11:00 a.m. and adoption of the following resolutions was announced.

Resolution 6968: That, upon the recommendation of the President of the University of Wisconsin System, Keith Sanders be appointed UW System Senior Vice President for Administration, effective July 1, 1995, at an annual salary of \$120,000.

Resolution 6969: That, upon the recommendation of the President of the University of Wisconsin System, the salary of Howard Thoyre as Acting Chancellor of the University of Wisconsin-Stevens Point be set at \$111,000, effective July 1, 1995.

Judith A. Temby, Secretary

June 30, 1995

CLOSED SESSION ACTION

At 11:02 a.m., the Board arose from closed session and announced the adoption of resolutions 6998 - 7003.

UW Centers: Board of Visitors

Resolution 6998: That, upon the recommendation of the Chancellor

System,
Centers

of the University of Wisconsin Centers and the
President of the University of Wisconsin

Timothy J. Byrnes be appointed to the UW

in

Board of Visitors to complete a three year-term
ending in 1997; and that Louise Aderhold, Jean
Birkett and Carl Meissner be reappointed to the
Board of Visitors for three-year terms ending

1998.

UW-Whitewater: Board of Visitors

Resolution 6999: That, upon the recommendation of the Chancellor
of the University of Wisconsin-Whitewater and
the President of the University of Wisconsin
System, Fannie Hicklin and Fern Young be
reappointed to the UW-Whitewater Board of
Visitors for three-year terms ending in 1998.

UW-Extension: Base salary adjustment above the Executive Salary Group
Six Maximum

of

Resolution 7000: That, upon recommendation of the Chancellor of the
University of Wisconsin-Extension and the President

the University of Wisconsin System, a base salary
adjustment of 5%, resulting in a new salary of
A\$103,912, be approved for Michael Offerman when he
assumes the responsibilities as Dean of Continuing
Education, effective July 1, 1995.

UW-Milwaukee: Board of Visitors

the
of

Resolution 7001: That, upon the recommendation of the Chancellor of
University of Wisconsin-Milwaukee and the President

the University of Wisconsin System, the following
members be reappointed to the UW-Milwaukee Board of
Visitors for three-year terms ending in June 1998:
Oscar Cervera, Daniel Fetterley, Maria Franco, James
Warren, Raleigh Woolf, and Claudetta Wright.

UW-River Falls: Request for review of decision on complaint against
faculty members

Matters

Resolution 7002: That, upon the recommendation of the Personnel

Review Committee, the Board of Regents denies the
request for review of a UW-River Falls decision on a
complaint against faculty members.

UW-Madison: Authorization to offer a salary that exceeds the Executive
Salary Group Six Maximum to a specific individual

Resolution 7003: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Chancellor be authorized to offer a salary up to \$135,000 for a Professor and Chair, Department of Pathology, Medical School, UW-Madison.

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The meeting was adjourned at 11:02 a.m.

A handwritten signature in black ink, appearing to read "J. A. Temby". The signature is written in a cursive style with a large initial "J" and "T".

Judith A. Temby, Secretary