

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Milwaukee, Wisconsin

Held in the Fireside Lounge, Student Union
Friday, June 9, 1995
9:15 a.m.

- President Grebe presiding -

PRESENT: Regents Barry, Budzinski, Dreyfus, Gelatt, Grebe,
Hempel, Krutsch, Lubar, MacNeil, Orr, Randall,
Schilling, Smith and Steil

ABSENT: Regent Benson and James

Approval of Minutes

Upon motion by Regent MacNeil, seconded by Regent Barry,
minutes of the meeting of the Board of Regents held on May 5,
1995, were unanimously approved as distributed.

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THE REPORT OF THE PRESIDENT OF THE BOARD
FOLLOWS THE APPROVAL OF THE MINUTES

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THE REPORT OF THE EDUCATION COMMITTEE PRECEDES
THE FOLLOWING REGULAR ACTIONS OF THE BOARD

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ADDITIONAL RESOLUTIONS

Regent MacNeil read the following resolution of appreciation
for UW-Milwaukee. It was seconded by Regent Hempel, and was
adopted unanimously with a show of applause.

Resolution of Appreciation for UW-Milwaukee

Resolution 6962: Whereas, the Board of Regents is very
pleased to have been invited to hold its
June 1995 meetings at the University of
Wisconsin-Milwaukee; and

Whereas, this visit has been enhanced by interesting and informative presentations on graduate education and preparing future faculty, continuous quality improvement initiatives, and urban research at UW-Milwaukee; and

Whereas, it was gratifying to participate in the tour and dedication of the impressive School of Business Administration building; this outstanding facility and its well-equipped distance education components will be of great benefit in UW-Milwaukee's efforts to serve the varied and changing needs of its constituency in the years ahead; and

Whereas, the Regents also were pleased to have the opportunity to tour the Multicultural Information Center and to become better acquainted with the Center's dedicated staff, programs, and its innovative use of trained consultants to extend services to more customers without added expenditures; and

Whereas, the gracious hospitality extended by Chancellor and Mrs. Schroeder and the entire UW-Milwaukee community is very much appreciated;

Therefore, be it resolved that the Board of Regents of the University of Wisconsin System hereby expresses appreciation to the University of Wisconsin-Milwaukee for a most interesting and enjoyable visit.

Chancellor Schroeder thanked the Board of Regents, noting that the many people who shared the involvement in hosting the meeting would also share the appreciation expressed in the resolution.

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ELECTION OF OFFICERS OF THE BOARD

Regent Grebe noted that the next item on the agenda is required by the Bylaws of the Board of Regent, which provides for the election of officers of the Board for one year terms. Upon Regent Grebe's request for nominations to fill the office of President of the Board of Regents, Regent Orr nominated Regent Grebe for a second term, noting that he has done an extraordinarily fine job as President of the Board of Regents of

the University of Wisconsin System. The nomination was seconded by Regent Dreyfus. When there were no other nominations, Regent Dreyfus moved that nominations be closed, which was seconded by Regent Randall. Regent Grebe was reelected unanimously, and he thanked the Board for their confidence in his leadership.

Regent Grebe then solicited nominations for the office is of Vice President. Regent Steil nominated Sheldon Lubar for reelection as Vice President of the Board, and Regent Krutsch seconded the nomination. There were no other nominations, and Regent Dreyfus moved that the nominations be closed, which was again seconded by Regent Randall. Regent Lubar was unanimously reelected, for which he thanked the Board.

Upon motion by Regent Schilling, seconded by Regent Budzinski, the following officers were reelected unanimously: Secretary Judy Temby, Assistant Secretary Marlene Alsmo, Trust Officer Raymond Marnocha, and Assistant Trust Officers David Konshak and Charles Stathas.

REPORT OF THE PRESIDENT OF THE BOARD

Welcome to Regent Jay Smith

Regent Grebe welcomed Jay L. Smith, recently appointed to the Board by Governor Thompson, and invited Regent Smith to say a few words. Regent Smith indicated that he considers it a privilege to be a member of the Board of Regents, and is looking forward to serving on the Board. Thanking Chancellor Schroeder for the hospitality shown to him at UW-Milwaukee, he noted that he had enjoyed visiting the campuses, and cited campus visits as vital to gaining a clear understanding of the UW-System. He also observed that each Chancellor he has met with considers his or her campus to be the "flagship" campus--in light of this, he observed that "in a celestial city, it takes a lot of stars," and there were many present at the meeting.

Regent Smith then summed up his 30 year career in business by noting that the business he'd embarked upon with 7 people became a world leader in 30 years. They were able to do so by keeping high standards, understanding the cultural needs and diverse opinions around the world. He asserted his hope that the UW-System could benefit from his experience in this arena, as well as from his experience working with tight budgets, and from his awareness of responsibility to both customers and shareholders--envisioning the taxpayers as shareholders, and students as customers. He concluded by asserting his desire to see the UW System through the eyes of the students, since "that's the way we've done business, and that's what brought success for us."

Report of the Regent member of the Educational Communications Board

Regent Grebe noted a report from the Educational Communications Board

which had been provided with the agenda materials. Regent Gelatt was asked to expand on this report: he reported that the Educational Communications Board discussed the proposal to merge the Educational Communications Board and UW-Extension. As recorded in the minutes of that meeting, this merger was not unanimously approved. Regent Gelatt noted that the ECB had voted against supporting the merger proposal as it was then presented, but did support consolidation of services in order to gain the financial benefits of consolidation and citing "significant budget cuts for public broadcasting." After the meeting of ECB, the Joint Finance Committee took up the question of consolidation and passed a resolution which directs the ECB Board and the UW Board of Regents in consultation with the Department of Administration to jointly identify to the Governor and the Joint Committee on Finance no later than January 15, 1996 cost savings and efficiencies that may result from a consolidation of services, finances, personnel and functions of the current ECB and UW-Extension Division of Extension Communication unto a new entity. Regent Gelatt noted that the Board of Regents now has the responsibility working with ECB to study proposals for that consolidation, which (in terms of people and dollars) would be primarily a consolidation of the Public Broadcasting services of ECB with UW-Extension.

Regent Grebe offered his support for this proposal, and noted that, after consulting with Regent Gelatt, President Lyall, and Chancellor Hanna, he believed the Board should also support the proposal. He stated that he looked forward to working with the ECB in putting together a structure for the purpose of studying this proposed merger, and suggested that the appropriate vehicle might be a group formed by members of the boards of the two institutions. He asked Regents who wish to participate in the study to advise him of their interest. There was no further discussion of Regent Gelatt's report.

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Report of the Vice President of the Wisconsin Technical College System Board

Regent Grebe asked Regent Barry if he had any comments to add to the report from the Vice President of the Wisconsin Technical College System Board which was provided in the Regent folders. Regent Barry called attention to the annual graduate follow up report performed for every graduate six months after graduation. The report indicates that six months after graduation from the Technical College System, 94% of the graduates are employed (with 92% employed in the State of Wisconsin). Of these, 80% are employed within the field for which they received training, and 96% indicate a high degree of satisfaction with the education they received. The WTC System also guarantees performance in employment, and will take back a student (at its own expense) if an employer were to indicate that the student doesn't meet the employer's standards in a particular area. Regent Barry concluded by noting that this report indicates that the system seems to be on track.

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

Regent Grebe asked Regent Orr to provide a report concerning the Council of Trustees of the UW Hospital and Clinics. Regent Orr stated that the council met on June 8, 1995 on the UW-Milwaukee campus, where Superintendent Derzon reported on the status of operations at the hospital in 1995. Admissions are almost 10% ahead of budget and significantly ahead of last year and the length of patient stay continues to decline, providing patients with cost savings.

Regent Orr reported that Wayne McGown discussed the status of the Governor's recommendation that the hospital be converted to a public authority. This plan has the strong support of the Governor, the leadership in the Senate and the leadership in the Assembly, the chairs and members of Joint Finance, and the plan continues to be a part of the Governor's budget. Regent Orr again emphasized the importance of that legislation for the continued vitality of the institution in a period of rapidly changing health care.

Regent Orr reported that the 1995-96 operating and capital budgets for the hospital were approved, and noted that for the second year in a row there will not be a rate increase. He added that, over the last 6 years, the rate of increase in UWHC's costs for patients is significantly below medical inflation in general and is less than the increase in the consumer price index, which he observed is remarkable for a teaching institution and gave credit to an "innovative" group of employees, staff and administrators who continue to do a good job. He predicted that next year, however, revenues will be down almost \$9 million (according to the budget) while salaries will be up almost that much, and the funds available to enhance the quality of the equipment and facilities will, therefore, be diminished. He noted, however, the importance of keeping rates in line to maintain competitive ability in a market place where costs are increasingly a factor in the choice of care.

Regent Orr concluded his report by noting the approval of amendments for the medical staff bylaws and medical staff appointments; the Council also heard a report from the subcommittee on Quality Assurance.

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Report on legislative matters

There were no questions regarding the written report on legislative matters provided by Vice President Olien.

REPORT OF THE PRESIDENT OF THE SYSTEM

Presentation: "Urban Research at UW-Milwaukee"

Provost Ken Watters introduced Professor Steven Percy (UW-Milwaukee, Department of Political Science) who provided a presentation on "Urban Research at UW-Milwaukee." Dr. Percy, who

received his Ph.D. from Indiana University in the early 1980's, served on the faculty of the University of Virginia and joined UW-Milwaukee's Political Science faculty in 1988. He conducts research on a variety of issues related to urban politics, urban policy and legislation related to the rights of disabled persons. Three years ago, he was asked to direct the Urban Research Center. After noting that urban research is regularly conducted in all the schools and colleges on the UW-Milwaukee campus, Dr. Percy provided an overview of the Urban Research Center. Created in 1974, it is located within the Graduate School and seeks to support interdisciplinary urban research and practice relevant to policy issues of urban society as performed by UW-Milwaukee's schools and colleges.

These projects focus on the Milwaukee metropolitan area, the southeastern Wisconsin region and urban areas of Wisconsin. To accomplish its research mission, a variety of initiatives have been undertaken: the URI Grant program, which annually funds four to six proposals; a series of publications, including an annual Directory of Urban Researchers, a newsletter profiling notable urban research projects, and a newsletter reporting current projects; sponsorship or co-sponsorship of conferences on urban issues; participation in national research grant projects; and through the coordination of campus research and outreach proposals in an effort to collaborate with community partners to solve community problems. Another component of the URC's mission has been to conduct applied research in conjunction with local governments, state and community-based agencies, and local foundations. In this capacity, the URC provides expertise in survey research, database creation, data analysis and report writing; this coupling of the needs of these agencies with the expertise of the University helps the agencies formulate initiatives for the resolution of urban problems.

Responding to Dr. Percy's presentation, President Lyall observed that UW-Milwaukee takes its urban mission very seriously; further, she noted that such work is increasingly done through partnerships with all kinds of other organizations (some of which are academic but many of which are not) and entails not only studying but also work in the community.

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Welcoming the New Regent

She then welcomed Regent Smith to the Board, asserting that she is looking forward to "good advice and wisdom from [his] business experience" that will help improve the operation of the UW-System.

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Biennial Budget Process

President Lyall then summarized the Biennial Budget process and described the way UW-System is prepared to deal with the required cuts. Noting that the next fiscal year would begin in

three weeks and that the final budget will not be signed until well past July 1, she observed that these plans were based on Joint Finance action to date and would be adjusted as needed. She reported that the Joint Finance action reduces the overall UW-System GPR budget by 5.1% (\$43 million) on an ongoing basis (the largest single reduction in real resources since the creation of the System): administrative staff cuts are to total \$15 million, with the remaining \$33 million to be from the rest of the UW-System base. President Lyall also noted that the legislature removed \$15 million in program revenue from the UW Hospital's reserves to pay for renovations of Capitol offices. Providing perspective, she noted that these cuts were equivalent to GPR support for more than 7,000 full time students.

The disproportional cut to UW-Extension was reversed in committee action directing that it and certain other reductions be distributed to institutions in proportion to each institution's GPR base budget; similarly, they directed that the \$40 tuition surcharge be distributed, generating a 1.6% fee increase at each campus. The capital budget was affected when the Joint Finance Committee reduced total authorized new bonding by \$62 million below the amount required for projects enumerated and approved by the Building Commission for all agencies. President Lyall anticipates that this will delay necessary and already approved university projects. In addition, the WISTAR program support was reduced by \$15 million, which will necessitate reevaluation of this successful and productive program. The Committee also failed to approve two measures to streamline the state building process: updating the enumeration threshold from \$250,000 to \$500,000 and excluding from enumeration projects funded with at least 65% gifts and grants.

President Lyall noted that the Joint Finance Committee had adopted some actions that will be beneficial in facing the challenges ahead. Among these were the approval of flexibility in the use of program revenue and positions, helping to maintain services that would otherwise have to be cut; the elimination of the sunset on the revolving fund to maintain and upgrade instructional equipment at all campuses; approval of the Governor's recommendation for a special technology fee; determination that the university would retain its information technology operating systems --with the provision that the Board of Regents hire an outside consultant to examine mainframe costs and services; and the approval of the Governor's proposal establishing a separate public authority board for the UW Hospital and Clinics.

President Lyall noted that such things as program revenue flexibility, preservation of lab and classroom modernization funds, and some instructional technology funding were essential and welcome tools for maintaining educational services and instructional technology for students; however, more than \$300 per student--equivalent to per student costs for library and computing services combined--will have to be cut from basic support budgets. Every campus and every student will be affected by slower, less convenient administrative services, larger classes and fewer sections, a slowdown of building renovations

and maintenance projects, and faculty assumption of administrative tasks no longer performed by deans and departmental offices.

She added that Congressional budget resolutions could impose further reductions: cutting Medicare and Medicaid reimbursements to teaching hospitals; reducing financial aid and imposing in-school interest charges that would increase student debt; and cutting basic research funds to national agencies, which would affect the doctoral institutions and remove thousands of dollars from the state economy. She cited potentially negative interactions between the Federal and Joint Finance actions, noting, for example, that maintaining the UW Hospital's reserve fund at a time when the Hospital faces reductions in Medicare reimbursements is essential; that cuts in Federal student aid would increase their reliance on State aid; and that cuts in Federal research support, combined with state budget cuts, could limit job prospects for younger faculty. Concluding this segment of her report, President Lyall noted that the UW-System faces "very challenging times" in the coming biennium, requiring a restructuring effort aimed at anticipating future needs and planning in partnership with the citizens of Wisconsin.

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System Administration Restructuring

Turning to System Administration's restructuring process, President Lyall reported that the 1995-97 biennial budget will reduce the System Administration GPR budget by 17.4% and 7.6% systemwide--this reflects the elimination of the capital planning staff, the proportional share of the \$10 million ongoing administrative cut, and the proportionate share of the \$17 million across-the-board reduction. She noted that the past two years saw a reduction of System Administration by 23 positions; when cuts required in the next biennial budget are added to these, another 30-40 positions will be eliminated from System Administration and Systemwide--by the end of the next biennium, both central staff and fiscal flexibility will be significantly below current levels. Thus, System Administration must restructure not only what its central operations are, but how they're performed, taking care to fit the functions of the central staff with those performed by the campuses so nothing essential is dropped. She cited Don Langenberg, President of the University of Maryland System, who describes five functions that systems are best able to perform:

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| Synergy -- | enhancing and transforming the performance of individual institutions through coordinated effort; |
| Strategy -- | setting common goals, assigning complementary roles to constituent institutions, and coordinating tactics; |
| Efficiency -- | providing common administrative services where there are economy of scale |

- Accountability -- providing oversight, incentives, and assurance that statewide needs are addressed; and
- Integrity -- insisting that institutions be true to academic and scholarly values while resisting inappropriate commercial or political intrusion into operations of institutions.

President Lyall then referred to a Fall 1994 survey of regents, legislators, leaders of agencies interacting with the UW System, chancellors, vice chancellors, faculty and staff. While this group agreed that it is beneficial and necessary that the UW System maintain its national and international stature, she noted the disparity in expectations placed on System Administration. External clients expect oversight, control, compliance and accountability; internal clients expect systemwide leadership on major trends in education, management assistance and incentives that reward performance, insurance against fiscal volatility, and coordinated public representation. The reorganization of System Administration is proceeding in an attempt to meet both sets of expectations and creating the synergies Langenberg described.

The Joint Finance action requires that System Administration and institutional budget reduction plans be provided to them by September 1, 1995. President Lyall will continue discussions with the Academic Staff Council and Chancellors to ensure that institutional and central budget cuts will mesh as well as possible. She concluded her discussion by noting that, for the UW System, the changes required over the next two years are greater than any since merger; acknowledging that they will produce anxiety, she expressed the expectation that focus on the remaining key tasks will be sharpened.

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Departures and Arrivals

President Lyall acknowledged the departure of three colleagues: Chancellor Betty Youngblood (UW-Superior) will assume the presidency of Western Oregon State College in Salem, OR; Vice Chancellor William Kuepper (UW-Green Bay) is retiring after 30 years as a faculty member and 13 years as vice chancellor; and Vice Chancellor Judd Taylor (UW-River Falls) will become the President of SUNY-Cortland in up-state New York. President Lyall expressed her appreciation for their leadership, and wished them well in their new positions. She welcomed Howard Cohen (currently Vice Chancellor at UW-Parkside), Robert Milam (currently the Dean of Business Administration, UW-Oshkosh), and John Ostheimer to the positions of Vice Chancellor at UW-Green Bay, River Falls, and UW-Parkside, respectively. President Lyall concluded her report by welcoming Professor Sidney Bremer as the new Dean of UW Center at Marinette. She returns from a year's internship at the University of Georgia System.

In the discussion following President Lyall's report, Regent Barry asked whether progress had been made regarding the across-the-board reductions, and inquired about the authority of the Joint Finance Committee relative to the submission of the UW System budget on September 1, 1995. President Lyall replied that the across-the-board requirement was adopted by amendment in the Joint Finance Committee action, and that she didn't know whether it is possible to change it during what remains of the floor session. She noted that the total cuts are not distributed across the board; rather, they are divided between an administrative cut and other cuts that are distributed differently, but a very significant portion are the unallocated cuts to be distributed across the board. In regard to the question of the Joint Finance Committee's authority, President Lyall noted that, in the past, when the UW System had taken budget cuts, it was asked to report to the Committee on those cuts by major fund category. This time, the requirement is to submit them for a passive review, which means the committee could question or change what is submitted. She suggested that such a process would be debilitating to the UW System's planning capacity, given the timing of the new academic year and the probable review of the cuts after Labor day.

Regent Grebe added that this dialog simply underscores the continuing need for very close contact in relationships with the Legislature throughout the planning process. He also stated that he believes that under President Lyall's leadership, the direction of Vice President Olien and the chancellors, the University has done a superb job of establishing credibility and close contacts with the Legislature. While concurring with Regent Grebe's evaluation of the work done, Regent Schilling added his concerns that this process demonstrates a move away from publicly owned and operated higher education to state assisted higher education. Such a move requires a reassessment of the roles and objectives of the Board, faculty, staff and others; he warned that it's a different world requiring different management. Regent Grebe concluded the discussion by reiterating the Board's evaluation of President Lyall's outstanding leadership in facing the challenges during this very challenging time in the University's history.

REPORT OF THE PHYSICAL PLANNING AND DEVELOPMENT COMMITTEE

Regent Dreyfus, Chair, presented the committee's report. He began by introducing Resolution 6945, which was seconded by Regent Schilling and passed unanimously.

UW-Madison: Approval to Name the New Multi-Purpose Sports Arena

Resolution 6945: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to name the new Multi-Purpose Sports Arena "The Kohl Center".

After Resolution 6945 passed, Regent Dreyfus asked Regent Barry to share his thoughts regarding the Dane County commuter rail study. Regent

Barry reported that the commuter rail planning committee has requested that the Kohl Center's design accommodate a rail stop. He noted that a commuter rail line (as opposed to light rail) looks feasible, and could be constructed cost effectively in Dane County. Among the stops would be Middleton, Hilldale, West Campus, the UW Hospital, the new Kohl Center, the new City Convention Center and others. At this point, Regent Barry was merely notifying the Board of Regents that the city and the county had requested a design accommodation; this request need not be anything other than a recognition of future needs, which should not cause increase in cost.

Regent Dreyfus then introduced Resolution 6946, seconded by Regent Schilling, and 6974, seconded by Regent Steil. Both Resolutions passed unanimously.

UW-Madison: Approval of a Design Report Reflecting a Budget Increase and Authority to Construct the Humanities Building Health and Safety Improvement Project

Resolution 6946: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the Design Report be approved, reflecting a \$672,200 budget increase, and authority granted to construct the Humanities Building Health and Safety Improvements project at a cost of \$1,922,200, using \$1,250,000 of General Fund Supported Borrowing and \$672,200 of All-Agency Health and Safety Funds.

UW-Madison: Authority to Increase the Scope and Budget for the Law School Addition and Remodeling Project

Resolution 6947: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the scope and budget for the Law School Addition and Remodeling project by \$1,614,000 (\$614,000 General Fund Supported Borrowing and an amount not to exceed \$1,000,000 Gift Funds), for a revised total project cost of up to \$16,614,000, funded as follows:

General Fund Supported Borrowing:	\$10,114,000
Gift Funds:	6,000,000
TOTAL FUNDING:	\$16,614,000

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Report of the Vice President for Physical Planning and Development:
Division of Responsibilities for Capital Budget and
Architectural/Engineering Services between UW System and DOA's
Division of Facilities Development

Regent Dreyfus observed that Vice President Brown's report generated considerable discussion of the division of responsibilities, the

continuing role of remaining staff, and the new role of DOA staff after the System Administration staff reductions which will occur by October 1, 1995. Vice President Brown emphasized that there would be significant changes, and that continuing staff would concentrate their efforts on retaining appropriate Regent involvement in the Capital Budget process. Thus, major portions of involvement with System facilities would be left in the hands of DOA staff; Regent Schilling felt that this reconfirmed the need for a separate Board of Regents Committee to address the stewardship of the UW System's infrastructure, since no other state agency has as many buildings and the Board of Regents should not relinquish its role in overseeing the proper maintenance of those facilities. Vice President Brown had reported that President Lyall had received a letter from DOA Secretary Klauser, who suggested that staff should engage in discussions over the Summer; however, Vice President Brown had not yet succeeded in scheduling a meeting with DOA staff to begin these discussions. The Committee concluded that they would like to have DOA staff at the July 13, 1995 Committee meeting; Regent Dreyfus will be sending a letter to Secretary Klauser requesting that appropriate staff attend.

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Report of the Vice President for Physical Planning and Development:
Joint Committee on Finance Action on the UW System's 1995-97 Capital Budget

Vice President Brown reviewed the highlights of actions taken by the Joint Committee on Finance which will affect the 1995-97 capital building program request. The reduction of \$62 million in GPR bonding will require the Building Commission to develop a new biennial Capital Budget, and Vice President Brown has been working to minimize the impact on the GPR funded projects.

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DOA Changes in Program Revenue Funding of Utility System Capital Costs

Vice President Brown reported to the Committee that DOA Administrator Bob Brandherm has proposed changes in the original formula used to develop the schedule of individual campus assessments. The original formula, which expires at the end of June 1995, produced an annual payment of \$886,100. The new proposed schedule of the UW System's payment would be calculated without recognizing the discount for the percentage of tuition that is applied to building depreciation, and would increase the obligation to \$1.5 million (\$500,000 more than the assessment was computed using the current formula and adjusted for inflation). Since this increase would have an impact on student fees, it was agreed that, on behalf of the Committee and the United Council of UW Student Government, Regent Dreyfus should send a brief letter to Secretary Klauser calling attention to this matter.

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Closed Session Action

Prior to convening in closed session, the Committee adopted a resolution of commendation for Regent Emeritus Adolf Gundersen, thanking

him for his faithful and dedicated service on the Committee. Regent Dreyfus concluded his report by stating that at 1:55 p.m., the Committee voted unanimously to convene in closed session to consider personal histories, as permitted by s.19.85(1)(e), Wis. Stats.. The Committee arose from closed session at 2:00 p.m., with no action taken.

REPORT OF THE BUSINESS AND FINANCE COMMITTEE

Regent Gelatt, Chair, presented the Committee's report.

Approval of Consent Agenda Items

Regent Gelatt began his report of the Business and Finance Committee by introducing Resolutions 6948 and 6949, which had been adopted as consent agenda items. The motion to adopt them was seconded by Regent Steil, and passed with Regent Lubar abstaining on Resolution 6948, due to his position as a director of Massachusetts Mutual Life Insurance Company.

Babson-Stewart Ivory Contract

Resolution 6948: That the Trust Officer be authorized to sign a form of consent to assignment, of the Babson-Stewart Ivory International contract to DLB Acquisition Corporation, an affiliate of Massachusetts Mutual Life Insurance Company.

Agreement with private for-profit making organization, Fujisawa USA, Inc.

Resolution 6949: 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 Fujisawa USA, Inc. entitled "93-0006 Comparative Trial of FK506-Based Therapy vs. Cyclosporine-Based Therapy & 93-0008 Quality of Life and Cost Assessment."

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UW System Strategic Plan for Information Technology

Senior Vice President Ward presented the UW System Strategic Plan for Information Technology to the Committee. This plan, the first comprehensive plan in the history of the UW System, provides a coordinated, integrated Information Technology infrastructure for all classroom instruction, library automation, administrative common systems, distance education and student support systems. The plan will be used to guide individual institutions in developing their information technology plans next year and as a basis for an updated 1996 Systemwide Plan for the Joint Finance Committee. Regent Gelatt noted that, while the committee was encouraged by the strategic plan, a similar consolidation effort needs to take place for administrative computing,

and the committee requested that a list of all administrative applications be presented at the October meeting.

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1995-96 Annual Budget Overview

Vice President Marnocha and Associate Vice President Sell provided a preparatory overview of the annual budget prior to the July meeting. Regent Gelatt noted that, because the Joint Committee on Finance has recently completed action on the budget and there is still floor action to be taken, staff have only begun to discuss its impact on tuition level. As part of these preliminary discussions, Regent Gelatt requested simulations of rate increases for categories of students other than resident undergraduates, and suggested exploring increasing other resident categories so that they pay a cost of instruction similar to that of resident undergraduates. A recommendation will be presented for Board action at the July 1995 meeting.

At that meeting, the Board will also make decisions on allocations of new funding, the aggregate cut amount by institution, the tuition level and refund schedule, segregated fee rates, the hospital rate (which, as noted above, will not increase), and the projected additional program revenue and federal funding. (The ranges of rate increases for residence halls, meal plans, parking and student segregated fees were reviewed by Vice President Marnocha later in the meeting.) At the September meeting, the Board will approve the detailed budget reductions taken by each institution, along with their general plans for the second year cuts. Across-the-board and administrative cuts will be presented in a full report for Board action, and then submitted to DOA for review. (The administrative report will be taken up by the Joint Committee on Finance at its September meeting, and System Administration across-the-board cuts may also be reviewed at that time. Also, were System Administration to internally reallocate funds for capital planning functions (as a result of the biennial budget reductions), the source of the funds must be submitted to the Joint Committee on Finance.

In the 1995-96 fiscal year, UW System Administration is receiving \$19.8 million of the requested \$22.6 million GPR/fees for cost-to-continue items and is receiving \$38.7 million of the requested \$47.4 million for the biennium. Cost-to-continue items fully fund the current costs of compensation and provide funding for the projected costs of debt service, utilities and state chargebacks, and other technical adjustments.

Under new initiatives, System Administration will receive almost \$2 million from the 1% technology fee for all institutions except UW Madison. This money will be used for computer work stations, E-mail, software and training for students. Regent Gelatt reported two recycling initiatives: the UW-Extension Solid and Hazardous Waste Education Center (\$519,200); and a Recycling Markets Development Board with funding of as much as \$8 million. He also noted that, despite the deletion of \$400,000 earmarked for distance education equipment, the UW System can still compete for funding by the Information Technology Investment Fund.

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Trust Funds

Regent Gelatt reported that Mark Fedenia, Associate Professor of the UW-Madison School of Business, discussed monitoring trust fund portfolios under the proposed revised investment objectives and guidelines. Professor Fedenia suggested that graduate Finance students assist in establishing a daily monitoring system for derivatives and other investments; the Committee approved the request, and the monitoring system should be completed by the end of the Summer.

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UW-Milwaukee: Continuous Quality Improvement Projects

Regent Gelatt noted that Chancellor Schroeder introduced the committee to two recent CQI projects at UW-Milwaukee where significant cost savings have occurred. Dexter Domahoski, Director of Physical Plant Services, and Carmen Witt, Dean of Students, provided the committee with a presentation of UW-Milwaukee's CQI efforts.

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Merger of Processing Centers

Assistant Vice President Durcan reported on the progress of the merger of UW System payroll processing functions. The plan targets July 1, 1998 as the date to place all payroll and benefits processing onto one mainframe; despite the aggressive timeline, Regent Gelatt reported that the UWPC and System Administration are confident that the completions dates can be met.

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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 ending May 19, 1995 were \$553 million, an increase of \$61.2 million over the previous year. Federal awards increased by \$41.5 million, and non-Federal awards increased by \$19.7 million.

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Regent Gelatt concluded his report by noting that, upon a motion of Regent Hempel, seconded by Regent Steil, the committee adjourned to closed session at 2:35 p.m., to consider trust fund matters, as permitted by s.19.85(1)(e), Wis. Stats.

REPORT OF THE EDUCATION COMMITTEE

The Committee report was presented by Regent Krutsch, Chair.

Regent Krutsch began her report of the Education Committee, by introducing Resolutions 6950 - 6954, which had been approved by the Committee and were now presented for adoption by the Board. Regent Randall seconded the motion, and the Resolutions passed unanimously.

1995-96 Tenure Designations and New Tenured Appointments

Resolution 6950: That, upon recommendation of the respective Chancellors and the President of the University of Wisconsin System, the 1995-96 tenure designations and new tenured appointments, reported in the attached materials by institutions, be approved.

Emerita/Emeritus Designations and Distinguished Service Designations

Resolution 6951: That, for their many years of dedicated service to public higher education in the state of Wisconsin, the Board of Regents expresses its deep appreciation to the members of the faculty and staff who have been granted emerita or emeritus status and distinguished service designations by the Chancellors; further, the Board of Regents extends to each of them its best wishes for many productive years ahead.

UW-Stout: Academic Reorganization

Resolution 6952: That, upon recommendation of the Chancellor of the University of Wisconsin-Stout and the President of the University of Wisconsin System, the Board of Regents, pursuant to s. 36.09(1)(gm)(3.), Wis. Stats., approves changing the name of the School of Home Economics to the School of Human Environmental Sciences.

Authorization to Recruit: Vice Chancellor UW-Extension

Resolution 6953: That, upon recommendation of the Chancellor of the University of Wisconsin-Extension and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Vice Chancellor and, notwithstanding the provisions of Regent Policy 87-15 and Regent Policy 94-4, the President be delegated the authority to approve the appointment and set the salary, within the executive salary range established in board policy.

Authorization to Recruit: Dean, Graduate School, UW-Madison

Resolution 6954: 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 a Dean of the Graduate School.

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Report of the Senior Vice President for Academic Affairs

President Lyall reported to the Committee on behalf of Senior Vice President Ward.

Appointment of Dean of Education, UW-Madison

President Lyall informed the Committee that Dr. W. Charles Read has been named as the Dean of the UW-Madison School of education.

Selection of National Science Institute Site, UW-Madison

President Lyall also reported that UW-Madison has been selected as the site of a \$10 million National Science Institute, which will be funded at \$2 million per year for 5 years.

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Presentation: "Aspects of Graduate Education: Meeting the State's Needs; Preparing Future Faculty"

Four presentations were made on several aspects of graduate education. Daniel Layzell, Director of UW System Office of Policy Analysis and Research, discussed the Occasional Research Brief "Trends in Degrees Conferred: 1993-94 Update." He emphasized that (1) bachelor's degrees remain the largest number of degrees granted in the UW System; (2) the number of master's degrees granted has remained fairly stable over time; and (3) growth in the number of doctoral degrees granted can be attributed to interest in engineering, life and physical sciences. UW-Milwaukee's Provost, Kenneth Watters, and Mary Wierenga, Associate Dean of the Graduate School,



Judith A. Temby Secretary