

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, September 8, 1995
9:10 a.m.

- Vice President Lubar presiding -

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

ABSENT: Regent De Simone

Approval of Minutes

Upon motion by Regent Dreyfus, seconded by Regent Steil, minutes of the meeting of the Board of Regents held on August 24, 1995, were approved with the changes that were distributed.

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THIS SECTION FOLLOWS THE REPORTS OF THE PRESIDENT OF THE BOARD, OF THE PRESIDENT OF THE SYSTEM, OF THE BUSINESS AND FINANCE COMMITTEE, OF THE EDUCATION COMMITTEE, AND OF THE PHYSICAL PLANNING AND DEVELOPMENT COMMITTEE.

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ADDITIONAL RESOLUTIONS

Regent Lubar noted that a hearing had been held on September 7, 1995, on proposed amendments to Chapter 17, Wisconsin Administrative Code, concerning student nonacademic disciplinary procedures. Senior Council Pat Brady provided an informational report for that hearing. Testimony was heard from the Chair of the committee which proposed the amendment and from United Council, also in support of the amendments. Regent MacNeil described Resolution 7019, which directs the Secretary of the Board of Regents to notify the presiding officer of each house of the Legislature that the proposed rules are in final draft form and cause a statement to appear in the Wisconsin Administrative Register that the proposed rules have been submitted to the Legislature; If there is no objection, the rules will be put into effect upon expiration of the notice period. Regent Lubar then moved the adoption of Resolution 7019, which was seconded by Regent Hempel and passed unanimously.

Amendments to Chapter UWS 17, Wisconsin Administrative Code: Student
Nonacademic Disciplinary Procedures

Resolution 7019: That the Secretary of the Board of Regents, pursuant
to s. 227.19, Wis. Stats., notify the presiding
officer of each house of the Legislature that
proposed
rules repealing and recreating Chapter UWS 17, Wis.
Adm. Code, are in final draft form, and cause a
statement to appear in the Wisconsin Administrative
Register that said proposed rules have been submitted
to the presiding officer of each house of the
legislature.

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At 10:50 a.m., the Board of Regents took a ten meeting recess.

REPORT OF THE PRESIDENT OF THE BOARD

Report of the Regent member of the Educational Communications Board

Regent Gelatt, the Regent member of the Educational Communications
Board, submitted a written report, regarding which there were no additional
questions or comments.

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

Regent Orr, Chair of the Council of Trustees of the UW Hospital and
Clinics, provided a verbal report of the September 7 meeting of the Council
of
Trustees. At that meeting, Superintendent Derzon reviewed the past year's
developments, the most significant of which was legislation which provided
for
the creation of a hospital authority that will allow purchasing, capital and
personnel processes to be made more efficient. Regent Orr expressed the hope
that this will provide the flexibility necessary in a rapidly changing health
care environment. He noted that some benefits had already become apparent,
since progress has been made in developing affiliations with area physician
practices and admissions have increased. Also, cost management efforts have
kept rates constant for the second year in a row, for which Regent Orr
credited the UW Hospital's management.

A further development in managed care is the creation of Unity, a joint
venture between U-Care, Blue Cross and HMO Wisconsin. Regent Orr expressed
his belief that the venture will be competitive in the marketplace of the
future. Noting that only 25% of current hospital patients are managed care
patients, he predicted an increase as "inevitable", and remarked that the UW

Hospital needs to be able to get a share of those future patients in order to perform its academic mission and to generate the revenues that support it, the medical school, the school of pharmacy and the school of nursing.

Regent Orr reported that the 1994-95 Hospital Financial Audit Report had been provided by KPMG Peat-Marwick; this report was "quite complimentary" of initiatives undertaken by the hospital's management staff, which places it among the leaders in academic health care centers in this regard. Overall, the hospital has had good years for the past two years, for nonrecurring reasons involving one-time infusions of income. In addition, patient volumes increased, due to rate control, developing affiliations, and the excellent work of the physicians who make up the medical staff at the hospital. Cost management helped the Hospital to hold down the contractual allowances due to medicare, medicaid and third party payers.

Regent Orr also reported that Peat-Marwick had recommended developing a strong cash reserve as the hospital becomes an authority, and that the Trustees were advised years ago that those reserves ought to be approximating \$100,000. Since that recommendation was made, some reserves have accrued; however, they are not close to the recommended figure. He stressed that, in order to compete, adequate cash is needed for investments required to remain successful--for example, investments in rapidly evolving information systems and networks linked with physicians' practices.

Among other good news, Regent Orr reminded the Board that in June 1994, a negotiation with the Aurora Organization resulted in establishment of a panel of experts to review the methods by which organs were acquired in the state of Wisconsin. That panel has made their preliminary decision; a final decision is expected October 2, 1995 after comment by the concerned parties. He noted that the proposal is similar to what was being done at University Hospital, that it's beneficial for the State of Wisconsin, and that the experts felt that not using two lists would result in fewer hearts being available in the state. Overall, the Trustees were pleased with the decision, and will be making comments to the panel in a timely fashion.

Regent Orr concluded his remarks by observing the passing of Folkert Belzer, an international pioneer in organ transplants who was Chief of Surgery at the University Hospitals for many years. He was also one of the authors of the Wisconsin Solution, which has saved thousands of lives by permitting organs to be maintained longer between harvest and transplant. Regent Orr noted that Dr. Belzer would have been pleased with the recent decision of the expert panel, since he was an architect of the UW Hospital transplant program.

At the conclusion of Regent Orr's report, Regent Lubar noted that this was the most positive Council of Trustees report he'd heard, particularly regarding the figure reported as the excess of revenue over expenses (\$28.7 Million). He felt reassured now that the new Dean is in place, the chairs of the clinical departments are being filled, and the work to establish the hospital authority by July 1, 1996 is being undertaken. He concluded that the

outlook for the Hospital is good, which will also benefit the Medical School.

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Report of the Regent member of the Wisconsin Technical College System Board

Regent Barry furnished a written report, and called attention to the fact that, in the WTCS, state aids have been reduced to no increases for the coming biennium; furthermore, the State operations component of the WTCS budget is being reduced by about 16% and 19% respectively in each of the coming two years. The operations staff has been reduced from a high of about 125 (three years ago) down to about 75 employees. Regent Barry also noted that the impending issue of block grants is of some concern to the WTCS, since some of its employees are dependent on Federal funds. He expressed the hope that it will be able to compete with the other state agencies that will seek financing through block grants. What is important, he said, is to put the dollars where they will do the most good and not use them as an administrative fund.

Regent Krutsch asked Regent Barry about the amount WTCS spends on remediation, which he had estimated the previous day as approximately 30%. She asked whether WTCS has any ongoing efforts to obtain guarantees from the K-12 schools that the students who received diplomas from those schools will come without the need for remediation. Regent Barry clarified that the figure cited refers to the resources for the incoming class, not the resources of the overall technical college system. He also stated that WTCS has an ongoing system of informing the administration and school boards of K-12 systems of their graduates' performance. Suggesting that this notification may be insufficient to address the problem of the need for remediation, he reported that publishing the performance standards of various schools has been considered, since some schools consistently do better than others in the preparation of their graduates. Finally, he reported that WTCS has been working closely with DPI and the K-12 system on this.

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Report on Legislative matters

Vice President David Olien provided a written report on Legislative matters. There were no questions or comments regarding it.

REPORT OF THE PRESIDENT OF THE SYSTEM

Beginning the 95-96 School Year

President Lyall began her remarks by noting that approximately 150,000 students were gathering for their first UW classes of the semester, and that nearly a million others would be served by UW-Extension credit and non-credit

programs, economic development, and business advisory services during the year ahead. She remarked that this time of the year marks the ability of higher education to make a fresh start each year, with the overriding goal to help students gain the knowledge and wisdom to succeed in their personal lives, to give something back as citizens, and to be productive in their work. She observed that the costs of education have received much attention recently, and suggested that attention be paid to what education yields to individuals and to the citizens of Wisconsin.

* Each student, she noted, arrives with hopes and dreams, seeking the opportunity to learn, explore and gain the skills that will one day make those dreams a reality. As they succeed, these graduates build and shape society. The investment made in their education today will shape the physical and human environment of the state and the world tomorrow.

* The 150,000 students mentioned above are also producers and wage earners. Half of them work while attending school; estimating that work at minimum wage, they earn \$200 million during the school year and pay \$10 million in state income taxes. As consumers, they spend over \$100 million (in addition to tuition, room and board) with local merchants across the state, supporting at least 1000 private sector jobs in communities all across the state. Student workers contribute to keeping the state economy robust and growing, while they gain knowledge for wider career opportunities after graduation.

* University research contributes to the quality and security of Wisconsin's citizens' lives and the success of many Wisconsin firms.

For example, UW researchers have worked with Laser Machining, Inc. in Somerset, Thermal Spray Technologies in Sun Prairie, and Trek Bicycle in Waterloo to develop more robust bicycle rims and tougher mountain bikes; tested a vaccine that could rid calves and ultimately humans of the parasite cryptosporidium; worked with

Woven Hearts senior living facility to adapt the environment and design furniture for safer and more comfortable assisted living; developed a natural sugar substitute 2000 times sweeter than sugar which can substitute for chemical sweeteners in food products; developed a plasma coating that can make folding money last longer; and, when the time is ripe, use some newly discovered enzymes to "eat" the ink off paper so it can be recycled without the use of toxic chemical solvents.

President Lyall cautioned that the familiar cycle of another academic year should not allow these things to be taken for granted; rather, she urged that these benefits of the investment in education be remembered. The decade ahead promises many challenges and changes, and the great strength of the UW System in meeting these challenges is the shared mission as a system of individual, distinctive, and complementary institutions. She noted that the

"synergies" of the UW System have enabled it to:

- * efficiently use limited resources through enrollment management;
- * maintain access and affordability;
- * avoid a competitive scramble to establish competing academic programs and coordinate the elimination of outmoded and duplicative programs so that new knowledge could be added to meet state needs;
- * increase educational opportunity and diversity in the student body, faculty and staff so that all Wisconsin students have the knowledge and experiences essential to function in a global economy; and
- * maintain accountability.

The coming year promises that these synergies will be used to make Wisconsin a national leader in distance education and develop common administrative services (where feasible) to serve students and the public better. Copies of her 1995 President's Report, which outlines past achievements and future challenges in more detail, had been provided. Referring to this report, President Lyall noted that the shared mission of the the UW System will help it meet the future.

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1995-96 Introduction to the University of Wisconsin System

President Lyall pointed to the copies of the 1995-96 publication of the Introduction to the University of Wisconsin System which had been distributed.

She noted that, in recent years, several national magazines have published college rankings based on various criteria: Money magazine ranked UW-Madison among the "best buys" in higher education; US News and World Report ranked UW-Green Bay, UW-La Crosse, UW-Oshkosh, and UW-Whitewater in the "first tier" of midwest colleges and universities; and individual academic programs at each institution are highly ranked within their fields. She suggested that the Introduction provides better information than these rankings for helping parents and prospective students choose a college that is right for them.

The new Introduction to the UW System serves as a "consumer guide" to UW institutions. It does not rank the institutions; rather, it provides relevant information for parents and students to decide for themselves which campuses may fit their needs best. It contains a capsule description of each institution, tips on preparing for college and qualifying for admission, information on costs, a breakdown of undergraduate majors available by campus, a statistical profile of each institution's class sizes and teaching staff, and campus telephone numbers for obtaining help with housing, financial aid, disabled student services, and many other needs. Worthy of particular mention is a HELP Office telephone number (800/442-6459) that provides free information and answers questions pertaining to all UW institutions. Copies are widely distributed to all high school counselors, students and parents in the state.

Regent MacNeil expressed her opinion that the Introduction is an

outstanding piece of work, and congratulated Vice President Olien and his staff for this excellent publication.

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Good News Items

UW-Milwaukee: 1995 Presidential Faculty Fellow

President Lyall offered her congratulations to UW-Milwaukee's Professor Marija Gajdardziska-Josifovska for being selected as one of 30 national grant recipients as a 1995 Presidential Faculty Fellow. Through this program the President of the U.S. recognizes young faculty who demonstrate excellence in scientific or engineering research and in teaching; it carries a \$100,000 grant per year for up to five years to help fellows undertake self-designed research and innovative teaching projects.

UW-La Crosse: Occupational Therapy Program Grant

UW-La Crosse's strategic plan establishes an allied health focus as part of the La Crosse Medical Health Science Consortium (which includes Viterbo College, Western Wisconsin Technical College, Franciscan Health System, Gundersen Clinic, Lutheran Hospital, and Skemp Clinic). UW-La Crosse received a federal grant of \$300,000 to establish an occupational therapy program to help meet the shortage of occupational therapists in western Wisconsin. Also, UW-La Crosse and Western Wisconsin Technical College have an agreement to work together to develop an occupational therapy assistant program at WWTC--such collaboration uses resources efficiently to meet a state health care need while avoiding duplication.

United Council: 35th Anniversary

This academic year marks the 35th Anniversary of United Council. President Lyall expressed her belief that United Council has matured into a strong representative of student interests, at both state and federal levels, and a good partner in efforts to keep educational opportunity available and affordable in Wisconsin. President Lyall concluded her remarks by wishing them a happy anniversary with many more years to come.

REPORT OF THE BUSINESS AND FINANCE COMMITTEE

Regent Gelatt, Chair, provided the report. He began by presenting Resolutions 7007 and 7008, which had been approved by the Committee, and moved their adoption as consent agenda items. The motion was seconded by Regent Hempel, and Resolutions 7007 and 7008 were approved unanimously.

Contractual Agreement with Otsuka America Pharmaceutical, Inc.

Resolution 7007: 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 Otsuka America Pharmaceutical, Inc. entitled, "Otsuka Phase II Data Analysis Center-Controlled Study of Vesnarinone In Heart Failure Patients, Study No. 22-94-201."

Report on Base Salary Adjustments to Recognize Competitive Factors Required by s. 36.09(1)(j), Wis. Stats.

Resolution 7008: That, upon the recommendation of the President of the University of Wisconsin System, the Report on Base Salary Adjustments to Recognize Competitive Factors Required by Section 36.09(1)(j), Wisconsin Statutes, be accepted for transmittal to State Officials.

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Trust Fund Actions

Regent Gelatt reported that the following resolutions had been approved under the Committee's delegated authority:

- I.2.e.(1) Authorization to Use the Edna Phelps Straight Trust for the Red Gym/Armory Project
- I.2.e.(2) Fund Definitions-UW System Trust Funds
- I.2.e.(3) Revised Statement of Investment Objectives and Guidelines - Trust Funds Principal - Long-Term Fund
- I.2.e.(5) Asset Allocations to Investment Managers

The Committee tabled action on the investment objectives and guidelines of the Intermediate Fund until next month.

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Regent Committee on Competition with the Private Sector

Regent Gelatt reported that he reviewed the 1991 complaint filed by WKOW-TV, under the UW System policy on Competition with the Private Sector, concerning the production contract for the program Sewing With Nancy with WHA-TV. At that time, the Regent Committee on Competition with the Private Sector concluded that the contract was a violation of the policy. This conclusion disagreed with the findings of the UW-Extension Committee on Competition with the Private Sector. Regent Gelatt reported that, recently, letters related to this matter have been received by the Board of Regents from the law firm representing WKOW-TV. These letters contain the objection that the current co-production agreement between Nancy's Notions and WHA signed in November 1993 was a violation of the 1991 Board action which explicitly prohibited a production contract between WHA and Nancy's Notions without Board approval. WKOW-TV's representative reviewed the facts and circumstances surrounding the previous and current agreements, and asked that the current contract not be extended and that action be taken against those who violated the Board's

policy.

Regent Steil and the Chair stated that, in 1993, they had been informed that the terms of the new agreement were significantly different than the previous one, that WKOW-TV did not object to WHA-TV entering into the new contract, and that the Extension Competition With The Private Sector Committee had decided that there was no conflict. Based on this information, neither Regent had felt it was necessary to bring the matter to the Board for action.

Nancy Zieman and her attorney provided an explanation of the differences between the original and second contracts. While the original contract was strictly commercial, the 1993 agreement provides for co-production and co-ownership by WHA-TV which also has the rights to distribute the program to other public television audiences. Ms. Zieman and her attorney indicated that they followed the appropriate channels by taking the matter to the Extension Competition Committee. They subsequently relied upon being informed that the Board of Regents had approved the contract through the signature of Gerald Campbell, a delegated representative of the Board.

Regent Gelatt stated that he will be appointing a subcommittee which will review the facts and circumstances of the current agreement and determine whether it is acceptable under current Board policy to extend the contract. Regent Grebe observed that the responsibility for overseeing issues relating to competition with the private sector had been delegated to the Business and Finance Committee in an effort to avoid the use of ad hoc committees.

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Gifts, Grants and Contracts, July through August 1995

Vice President Marnocha reported to the Committee that total gifts, grants and contracts for the two-month period ending August 18, 1995, were \$163.9 million (\$.5 million less than the previous year). Federal awards increased \$8.8 million; non-Federal awards decreased by \$9.3 million.

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Closed Session Action

Regent Gelatt concluded his report by noting that, upon a motion by Regent James seconded by Regent Orr, the Business and Finance Committee adjourned to closed session at 4:23 p.m. to consider trust fund matters, as permitted by s. 19.85(1)(e), Wis. Stats.

REPORT OF THE EDUCATION COMMITTEE

Regent Krutsch, Chair, began her report stating that Resolutions 7009 and 7010 had been unanimously adopted by the Committee, and moved their adoption by the Board as consent agenda items. The motion was seconded by Regent MacNeil, and the resolutions passed unanimously.

Revisions to sections RF 4.1 - 4.15 Faculty Policies and Procedures at University of Wisconsin River Falls

Resolution 7009: That, upon recommendation of the Chancellor of the University of Wisconsin-River Falls and the President of the University of Wisconsin System, revisions to sections RF 4.1 - 4.15 of the UW-River Falls Faculty Personnel Policies and Procedures be approved.

UW-Madison: Hedberg Professorship in Mind and Health

Resolution 7010: 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 Ned H. Kalin, Department of Psychiatry, Medical School, UW-Madison, be changed to Hedberg Professor in Mind and Health, Medical School, effective immediately.

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Report of the Senior Vice President

Wisconsin High School Students' Performance on the ACT

Senior Vice President Ward reported to the Committee that ACT had provided data on the scores of the 1995 Wisconsin high school graduates who took the ACT test last year. Wisconsin ranked first among the 25 states in which 50 percent or more of the high school graduates took the ACT, and the average ACT composite score for Wisconsin high school grads reached an all-time high of 22.0, considerably above the national average. Regent Krutsch noted that this may reflect to some extent the higher UW System admission requirements in mathematics and science that went into place for Fall 1995. Noting that Wisconsin students taking the "core" high school courses (4 English, 3 mathematics, 3 natural science and 3 social science) has increased to 59% over the past five years, Regent Krutsch observed that the average ACT score is higher for the group of students taking these core classes. Regent Krutsch also reported that UW System is working with ACT to improve communication with the K-12 schools on how their students perform in the freshman year at UW campuses. In partnership with DPI, the UW System is restoring the College Readiness Report to the K-12 schools on the academic performance of their graduates who have enrolled on UW campuses. Referring to Regent Barry's earlier comments regarding the need to publicize the performance records of schools, she suggested that this report might also be made more readily available to the public.

In discussion following Regent Krutsch's report, Regent Lubar observed that Regent Benson could be proud of Wisconsin's performance on the ACT test; Regent Benson noted that DPI is "pleased", and that it is important to recognize that "we can be proud of our State's K-12 system." He added that Wisconsin also ranks high among states using the SAT, which is less popular since UW requires the ACT for admission.

Undergraduate Teaching Improvement Council Retreat

Senior Vice President Ward reported to the Education Committee that the UW System's Undergraduate Teaching Improvement Council hosted a retreat (funded by the Lilly Endowment) in August 1995 on college teaching and learning for junior faculty members at four midwestern universities. Participants included faculty from Michigan State University, Miami University of Ohio, and Indiana University; 35 participants were from UW. The participants were current and past Fellows in the Wisconsin Teaching Fellows Program (sponsored by UTIC) and similar programs at the other institutions. These programs give young faculty who demonstrate the potential to become outstanding undergraduate teachers the chance to spend a year focusing on their teaching early in their careers; this retreat offered them the opportunity to meet with colleagues committed to improving undergraduate teaching and learning, and to share ideas, experiences and concerns.

Fall 1994-95 Drop Rates

Regent Krutsch observed that the annual report on Fall 1994-95 drop rates had been distributed. This report, submitted annually to the Joint Committee on Finance, is created in response to Regent Resolution 5045 and a September 1988 directive from the Joint Committee on Finance. In July 1992, when the board accepted that year's drop report for transmittal to the Joint Committee on Finance and noted that drop rates were well below the threshold, it approved System Administration's request that the annual report be discontinued, contingent upon action by the Joint Committee on Finance to discontinue the requirement. President Lyall communicated that request to the Joint Committee by letter in August 1992 and again in July 1993. The request was denied by the Chair of the Committee.

In the September 7, 1995 Education Committee discussion of this report, Regent Smith noted that it had been requested for a particular purpose but may now be unnecessary. In the interest of streamlining, he suggested that the Board again try to have the requirement for this report rescinded. The Education Committee had approved Resolution 7011 unanimously; Regent Krutsch moved its adoption by the Board of Regents. Her motion was seconded by Regents MacNeil and Randall, and it passed unanimously.

Annual Report on Fall 1994-95 Undergraduate Drop Rates

Resolution 7011: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents:

- 1) accepts the annual report on 1994-95 undergraduate drop rates for submission to the Joint Committee on Finance.
- 2) requests the Joint Committee on Finance to discontinue its requirement that UW System report annually to the committee on campuses where undergraduate drop rates exceed five percent; and

on
rescinds

3) contingent upon action by the Joint Committee
Finance to discontinue its requirement,
Regent Resolution 5045 requiring UW System
Administration to collect information on drop
rates at UW System institutions.

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Lateral Review of Teacher Education Programs

Regent Krutsch reported that the main item on the Education Committee meeting agenda was a discussion of the teacher education program lateral review process. In that discussion, she began with general comments about the lateral review process, noting that it works best when it is part of a campus-needs, high-stakes strategic planning process for the institution. She highlighted some articles which had been distributed, and summarized some of the current reform movements in teacher education. She then turned to the resolution which had been drafted for discussion, noting that the resolution includes six basic principles to undergird teacher education at all UW System institutions, proposes the creation of a limited number of charter teacher education programs animated by these principles (for which the Board would seek a waiver from current state licensure requirements), and lists four basic questions to be taken into consideration in the design of these programs. Regent Krutsch stressed that this draft resolution recognizes that curricular decisions are campus decisions that must be based on quality and cost-effectiveness.

Regent Krutsch reported that Senior Vice President Ward had commented on the Lateral Review of Teacher Education Programs in the UW System which began three years ago and had four primary objectives:

- * a review of program effectiveness and efficiency, with particular attention to program duplication and the oversupply of teachers in certain fields;
- * creation of a plan to meet the state and regional needs for teachers, with particular attention paid to those areas in which there was a shortage of teachers;
- * plans and encouragement for cooperative programming among UW campuses and collaboration with teachers in practicum and field experiences;
- * an analysis and plan for the professional development and graduate program needs of practicing teachers.

Senior Vice President Ward had observed that the last three years have been a period of great change in the field of teacher education. Further, he noted that the basic rules and regulations set by DPI (PI 3 and PI 4) governing the state's teacher education programs have changed substantially during the last two years, and there is a proposal for a complete revision in those rules in the near future. In addition to the DPI rule revisions, a

provision in the state budget would create a new Department of Education which would be the agency to replace DPI as the regulator of teacher education programs. (A lawsuit challenging the creation of the new department is currently underway; its resolution could take months or years.) He stressed that it is important to keep in mind that all these changes must be factored into any plans for UW teacher education programs, and that the first obligation of these programs is to ensure that their graduates can earn a license to teach in Wisconsin.

Senior Vice President Ward highlighted the accomplishments of the lateral review process, which include: increased cooperation and communication among UW teacher education programs and significant progress in establishing cooperative programs which help avoid program duplication; progress in achieving greater program efficiencies, administrative cost reductions, program eliminations and reduction, and reduction in credits-to-degree, as mandated by the board; and the development of plans to meet shortages of teachers in early childhood education, exceptional education, special education, and reading. When Senior Vice President Ward was asked about the value of this process, he responded that, in his opinion, teacher education programs are a complex set of programs which must respond to 77 different certification areas under DPI guidelines. The teacher education programs on UW campuses represent a collection of these certification programs, and sorting out the program array is not an easy task. Furthermore, he asserted that hiring outside consultants to help establish a vision for teacher education (or for that matter any other program area) is not likely to work; instead, consultants may help "fine tune" or critique a vision generated by the institution. Finally, he suggested that program review efforts need to be done over a much shorter time line, and that the lateral review process as a means of looking at program arrays may need to be reexamined. It does not focus on how an individual program fits within the total program array of a campus, and the intra-campus relationship of one program to another requires close analysis of the programmatic and enrollment effects of one program change on another.

Regent Krutsch noted that Charles Read (soon to be the Dean of the UW-Madison School of Education) also addressed the proposed resolution. She reported that he expressed appreciation that it presents principles rather than stipulations, noting that the number of teacher preparation programs at UW-Madison renders it virtually impossible to draft detailed guidelines that can be applied in a meaningful way to the full range of programs. He noted that the principles listed in the draft resolution are appropriate to teacher preparation at UW-Madison, and that these are the principles that have guided UW-Madison teacher education since at least 1930. He also supported the proposed charter programs and the intent to free teacher preparation from prescriptive licensure requirements. Dr. Read also supports current efforts by DPI to remove many of the current rules which increase the credit required for a teacher education degree.

Regent Krutsch reported that a "spirited and wide-ranging" discussion followed these presentations. In this discussion, Regent Randall requested clarification of what is intended with the charter schools. Regent Benson suggested that, in light of the draft resolution, the Committee needs more time for discussion of the vision and how to get there; he also expressed

support for the charter concept, but said there is no need for Board action to bring it about, since DPI standards currently allow for such exceptions and "charter" programs are operating at UW-Parkside, UW-Milwaukee and UW-Madison. Regent Benson asked that the Board not act on the draft resolution next month; instead, he prefers that the Board return to an earlier draft of the resolution on teacher education provided with the July 1995 agenda. Regent Krutsch reported that she had expressed her opinion that the earlier version was too proscriptive in citing specific changes to be made in the program array. In contrast, this draft resolution establishes principles to guide institutions, but leaves the decision-making at the local level.

In this discussion, Regent Smith concluded (and other Committee members agreed) that the issues involved in the charter question need to be clarified to respond to questions regarding what can be done under current provisions, what future possibilities are through DPI, what legislative restrictions are, and to determine what is and is not in the Board's domain. He also noted that the draft resolution does not speak to the four primary objectives that Senior Vice President Ward said were enunciated at the beginning of the lateral review process three years ago.

In discussion following Regent Krutsch's report, Regent Barry observed that the investment of three years in this lateral review process seemed long, particularly since it did not result in providing tools for evaluating program decisions within the campus. Regent Krutsch replied that she believed that the way the lateral review was originally conceived is not very useful, and expressed her dissatisfaction with the process. She then suggested that the exercise had been useful as a means of learning what to avoid in the future. Regent Barry asked whether the one-third reduction in Elementary Education reflected a lack of jobs; Regent Krutsch explained that this, the most significant reduction, was achieved as campuses raised standards and reduced the number of entrants to their programs, and also reflected individual student decisions. Regent Krutsch praised this kind of decision-making on individual campuses, but noted that it could not have been a result of the lateral review process. Regent Smith, agreeing with Regent Barry, observed that it is frustrating that this three-year process "died under its own weight," having become distracted from the four objectives it was directed to address.

President Lyall observed that lateral reviews have served the UW System well in the past, and added that Vice President Ward had suggested ways to improve the process. Providing the example of the Allied Health Review (which produced the beneficial regional Allied Health program referred to in her report, above) and noting that it did not take three years to achieve, she suggested that the lateral review process may merely need to be redesigned rather than abandoned. She noted that one advantage in looking at similar programs across the system is to uncover program duplication; another is to get program directors and deans to sit down and work together to rationalize the program opportunities available in the state.

Regent Orr stated that he has no sense of whether reductions in

programs and enrollments are real achievements or whether they only begin to address necessary changes. Observing that a wide array of programs remain, he questioned whether this variety reflects the market demand. If so, and if students want and need them, the array is appropriate; however, he suggested that if some programs are under-utilized, incentives should exist to eliminate them. The resources saved could then be used to build centers of excellence within institutions and assure a geographic spread of essential education programs around the state. Regent Krutsch noted that his comments addressed the "essential task" of the review, and that, regarding this popular major, the state's needs must be addressed in balance with offering choice and opportunities for students. Although opportunities in Wisconsin may be limited, some students may still be interested pursuing their desired profession despite current lack of jobs. She added that precisely anticipating the professional opportunities for students is difficult, and the question of offering incentives to reduce under-utilized programs in a way that helps chancellors and provosts make difficult decisions about resource allocation is another challenge faced by the Board.

Vice President Ward reinforced President Lyall's comments about the value of the lateral review process, noting that major benefit from this review was found in getting the programs together, starting the conversation about an appropriate array of programs, and discovering opportunities to share information and programs. He suggested that one challenge faced by this particular review was posed by the size and scope of the Teacher Education Program, which is the second largest program in the UW System and one of the largest areas for employment in Wisconsin. Thus, this review should perhaps be perceived and valued as the beginning of a process.

In regard to incentives, Vice President Ward noted that there are always incentives and "powerful competitive forces" on campus when a program is not carrying its weight. The pressure from other deans and chairs who compete for the resources allotted to low-enrollment programs is not always evident, but it does exist. Vice President Ward stated that a better incentive may be provided by creating a mechanism or fund that allows campuses to develop cooperative programs on a win-win basis. Noting that cooperative programs often slight one campus that provides a lot of service and doesn't get much credit, he suggested that this needs to be remedied to create a beneficial situation for all involved campuses, which will provide the incentive for more cooperation.

On this note, Regent Krutsch invited the Chancellors to comment. Chancellor Kuipers (UW-La Crosse), speaking in regard to the strategic planning exercise, observed that these are key issues. First, she noted the UW System's desire to be on the cutting edge of teacher education, and praised the Board for making this issue a priority. Second, she stated that reorganization in these programs is already occurring on the UW campuses. She offered the example of the partnership developed between the UW-La Crosse faculty and the superintendents of the La Crosse area schools; in those

discussions, the specific needs of the area K-12 schools were discussed, and means are being developed to help address those needs. Regent Krutsch noted that Chancellor Kuipers' comments indicated the need for developing policy that fits in with the strategic planning of the campuses, rather than providing detailed mandates which might reduce quality and cost-effectiveness.

Chancellor Perkins stated that he is intrigued by the idea of investigating the needs of a particular community rather than by the question of examining programs common across the UW System. He expressed concern about

development needs of existing teachers and their inability to travel to other parts of the state; this problem is compounded since the needs of one region may differ significantly from the needs of another. As an example, he cited one of the needs of the Green Bay region's schools as the need to "fast-track" Hmong teachers.

Regent Hempel observed that anecdotal evidence of the oversupply of teachers exists, and asked whether there is any data indicating the placement rates of teachers verses other majors within the system, or if there is any evidence of real supply and demand for this field. Regent Krutsch stated that

UW-Madison had reported that over 90% of its teacher education graduates were employed following graduation; Regent Dreyfus added that a teacher education graduate is also employable in other fields. He continued by noting that defining the "market" is a problem. While it can be defined according to job availability, he believes that it is also defined by student interests, and that the University is more obligated to respond to student demand. In his experience, students tend to pursue what they want to pursue, regardless of current job availability. He also added that current market needs may change rapidly--given the tendency of teachers to retire earlier and the time required to earn a degree, he predicted a teacher shortage by the year 2005.

Regent Barry did not believe that course offerings should be driven entirely by student demands. He noted that the Technical College System, in an era of reduced aid and small resources, must respond to emerging occupations and changes in the job market; he questioned whether allocating resources without regard to the market might result in missing opportunities for other emerging occupations. Regent Dreyfus noted that the fundamental question is whether "the market" is the student or the jobs; Regent Barry suggested that both needs must be addressed, and cautioned against providing so many choices in one area that the reduction in resources limits choices in another where the market may be emerging. Regent Gelatt added that it is important to take into consideration the fact that the taxpayers absorb approximately two-thirds of the costs of instruction in the UW. It is less clear for public than for private institutions that student choice should dominate. Regent Krutsch noted that these concerns should converge, and that students are usually interested in pursuing an education which leads to employment. She suggested that one of the roles of the UW System is to serve its customers--both students and the state--which requires balance.

Conceding

that predicting the availability of jobs is difficult and that past predictions have been inaccurate, she suggested that the UW System should be wary of completely tailoring programs based on such projections.

Regent Benson noted his appreciation for this discussion, remarking on its importance as part of the mission of this System and his belief that the System is producing the best teachers it has ever produced. He distributed copies of the report from a DPI task force appointed to study teacher education. He suggested that its results-oriented recommendations can be achieved through a partnership between DPI, the UW System, and other parties interested and involved in education; these recommendations could not only improve a teacher education system which is already good, but could also offer a model for the whole country.

At the conclusion of this discussion, Regent Smith again stressed the importance of ensuring that when a great deal of time, effort and resources are invested in a project such as this lateral review, it is necessary to ensure that the process doesn't wander from its goals. Regent Lubar agreed, noting that in this case, the Education Committee can address specific reforms of the process. He observed that while System Administration and the campuses seem to be committed to the lateral review process, it can benefit from refinement.

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Closed Session

Regent Krutsch concluded her report by noting that the Committee adjourned to closed session to consider personnel matters, and adjourned at 4:50 p.m.

REPORT OF THE PHYSICAL PLANNING AND DEVELOPMENT COMMITTEE

Regent Dreyfus, Chair, reported that Resolutions 7012-7016 were adopted unanimously; and he moved their approval by the full Board as consent agenda items. Regent Barry seconded the motion, and the Resolutions passed unanimously.

Authority to Construct Bridgman Residence Hall Windows/Doors Replacement Project, UW-Eau Claire

Resolution 7012: 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 Bridgman Residence Hall Windows and Doors Replacement project, at a total cost of \$194,500 using Program Revenue - Cash (Housing).

Authority to Construct Lowell Hall Guest Rooms/Bathrooms Renovation Project, UW-Extension

Resolution 7013: That, upon the recommendation of the UW-Extension Chancellor and the President of the University of Wisconsin System, authority be granted to construct the Lowell Hall Guest Rooms/Bathrooms Renovation - Phase 3 project at an estimated total project cost of

\$350,000 of Program Revenue - Cash.

Authority to Construct Domestic Water Backflow Prevention project, UW-Madison

Resolution 7014: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Domestic Water Backflow Prevention project at an estimated cost of \$249,000, using All-Agency Health and Safety Funds.

Approval of 1995 Campus Development Plan, UW-Platteville

Plan
Resolution 7015: That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of Wisconsin System, the 1995 Campus Development Plan, reflecting changes to the 1978 Campus Development and documenting physical facilities and campus boundaries, be approved.

Approval of the Design Report and Authority to Construct the Armory/Red Gym Renovation project, UW-Madison

cost
Resolution 7016: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority granted to construct the Armory (Red Gym) Renovation project, at an estimated total project of \$11,000,000 (\$5,500,000 General Fund Supported Borrowing and \$5,500,000 Gift Funds), contingent upon Regent approval regarding the proposed use of approximately \$1.25 million in trust funds for this purpose.

Regent Dreyfus added that Resolution 7015, which requests approval of the 1995 Campus Development Plan for UW-Platteville was presented to the Committee by Chancellor Robert Culbertson, who noted that a major difference between this plan and the one approved in 1978 is that it is based on a stable enrollment planning level of 4,630 FTE students (4,990 Headcount), and not on significant projected growth of the campus's current 335 acres. The last modification to the campus boundary was made in 1994; no future revisions are contemplated. The university also holds two non-contiguous parcels: the 400-acre Pioneer Prairie Farm and the 90-acre University mound, marked with its well-known, white-painted "M". Chancellor Culbertson had also stated the campus went through an extensive review and evaluation of the quality and use of all existing building space in developing its Space Management Plan. He reported to the committee that the plan responds to current program needs, which are significantly different following the extensive academic and administrative structure reorganization plan developed during the 1993-94 academic year; also, most campus space needs will be met by renovation of existing space, although minimal new space may have to be considered.

Regent Dreyfus also noted that information on Resolution 7016, which requests approval of the Design Report and authority to construct the Armory (Red Gym) Renovation project at UW-Madison, was presented by the consultant architect, Arthur C. Chadek, who showed a brief video which described the project in detail. The Committee then approved this request, contingent on the Business and Finance Committee approving use of trust funds for the project. The use of the Edna Phelps Straight Trust for the Red Gym/Armory Project was approved by the Business and Finance Committee, as item I.2.e.(1) under Trust Fund Action; it authorizes the use of \$1.25 million from a Trust account toward the gifts portion of the project.

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Approval to Name Two Rooms in Baker Hall, UW-Whitewater

Regent Dreyfus moved the adoption of Resolution 7017, which was seconded by Regent Randall, and passed unanimously.

Resolution 7017: That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, approval be granted to name Rooms 203/204 in Baker Hall the "Flanagan Commons Room."

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Approval to Rename the Experimental Theatre in the Center of the Arts Facility, UW-Whitewater

Regent Dreyfus moved the adoption of Resolution 7018, which was seconded by Regent Budzinski, and was passed unanimously.

Resolution 7018: That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, authority be granted to rename the Experimental Theatre in the Center of the Arts facility the "Hicklin Studio Theatre."

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Report of the Vice President for Physical Planning and Development

Deferred Maintenance Backlog

Paul Brown, Vice President for Physical Planning and Development, had provided the committee with the quarterly status report on reduction of the UW System Deferred Maintenance Backlog. The report shows that through July 1995 approximately \$135 million has been applied toward the deferred maintenance backlog, leaving a current balance of \$229 million. The 10-year schedule at \$36 million per year would anticipate expenditures totaling \$144 million at this date. In terms of total expenditures, the deferred maintenance backlog

is nearly on schedule: furthermore, the Report indicates that, while utilities and health and safety projects are ahead of schedule, facilities repair and renovation lag behind.

In discussion, Regent Lubar asked where the deferred maintenance needs are; Regent Dreyfus noted that they exist throughout the system, often as a result of decisions made by Chancellors (between 1967 and 1974) to defer regular maintenance in order to proceed with the construction of new buildings whose construction costs were increasing rapidly due to inflation. Regent Lubar then inquired whether the staff reductions that have been made necessary by the biennial budget reductions will affect the gains made on this backlog. Vice President Brown responded that those reductions were taken on the administrative level, and that the deferred maintenance backlog is addressed by the physical plant staff on each campus. The overview of maintenance needs, which was formerly performed by UWSA staff, will be done by the campuses in the future. Aside from this change, the deferred maintenance backlog plan will go forward as planned.

At 11:00 a.m., Regent Randall moved the adoption of Resolution 7020, which was seconded by Regent Dreyfus and was adopted on a unanimous roll call vote, with Regents Benson, Brown, Budzinski, Dreyfus, Gelatt, Hempel, James, Krutsch, Lubar, MacNeil, Orr, Randall, Smith and Steil (14) voting in the affirmative. There were no dissenting votes and no abstentions.

Resolution 7020: That the Board of Regents recess into closed session, to consider salary adjustments above the Group 6 Maximum, as permitted by s.19.85(1)(c), Wis. Stats.; to consider appointments to the Board of Visitors, UW Centers 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.

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At 11:35 a.m., the Board of Regents arose from closed session and announced the adoption of Resolutions 7021 and 7022.



Judith A. Temby Secretary