

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in 1820 Van Hise Hall

Monday, July 19, 1999

12:15 p.m.

- President Orr presiding -

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PRESENT: Regents Barry, Boyle, Brandes, DeSimone, Gottschalk, MacNeil, Marcovich, Mohs, Olivieri, Orr, Randall and Smith
Regents Brandes, DeSimone, Gottschalk, MacNeil, Marcovich, Olivieri and Randall participated by telephone conference.

ABSENT: Regent Benson, DeBraska and James

APPROVAL OF MINUTES

The minutes of the June 11, 1999 meeting of the Board of Regents were approved as distributed.

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REPORT OF THE PRESIDENT OF THE BOARD

Regent Barry presented the following resolution of appreciation to Regent DeBraska and moved its adoption by the Board of Regents. The motion was seconded by Regent Mohs and carried unanimously.

Resolution of Appreciation to Bradley D. DeBraska

Resolution 7963: WHEREAS, Bradley D. DeBraska has served with distinction as a member of the University of Wisconsin System Board of Regents since 1996; when he was appointed to fill a vacancy created by a resignation; and

WHEREAS, he has chaired the Personnel Matters Review Committee and served as a member of the Physical Planning and Funding Committee, the Special Regent Committee for the UW-Parkside Chancellor Search, and the 21st Century Implementation Committee; and

WHEREAS, he has served as President of the Milwaukee Police Association since 1989, and currently serves as the policy liaison officer with the City of Milwaukee Labor Department; and

WHEREAS, he has twice been honored by the Milwaukee police chief for meritorious duty and heroism, and was honored by the Wisconsin Law Enforcement Officers Association for outstanding community service; therefore

BE IT RESOLVED, that the Board of Regents does express its deep appreciation to Bradley D. DeBraska for his three years of service, confers upon him the title of Regent Emeritus, and extends best wishes for continued professional success, personal fulfillment, and community service.

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Report on July 7th meeting of UW Hospital and Clinics Authority Board

A written report of the July 7 meeting of the UW Hospital Authority Board was provided to the Regents.

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Report on Legislative Matters

The Board received a written report on legislative matters.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Adoption of Resolution 7964 was moved by Regent Mohs, seconded by Regent Smith and carried unanimously.

Authorization to Recruit: Campus Dean, UW-Marathon County

Resolution 7964: That, upon the recommendation of the Chancellor of the University of Wisconsin Colleges and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Campus Dean of the UW-Marathon County.

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REPORT OF THE PHYSICAL PLANNING AND FUNDING COMMITTEE

The Committee's report was presented by Regent Barry, Chair.

Regent Barry presented Resolutions 7965 - 7968, which were approved unanimously by the Physical Planning and Funding Committee at a meeting on July 7, and moved their adoption by the Board of Regents as consent agenda items. The motion was seconded by Regent Mohs and carried unanimously.

UW-LaCrosse: Approval of the Design Report and Authority to Construct A Wing Technology Center Remodeling Project

Resolution 7965: That, upon the recommendation of the UW-La Crosse Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct a Wing Technology Center Remodeling project at an estimated total project cost of \$9,887,000 using General Fund Supported Borrowing, contingent upon passage of the 1999-01 Capital Budget.

UW-Madison: Authority to Convey Land to the City of Spooner

Resolution 7966: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be given to grant a permanent right-of-way easement or to sell to the City of Spooner a strip of land 33 feet wide by 2,640 feet long at UW-Madison's Spooner Agricultural Research Station. The City will make a payment of \$3,850, the average of two appraisals, for either transaction.

UW-Oshkosh: Approval of the Design Report and Authority to Construct Reeve Union/Blackhawk Commons Remodeling/Addition Project

Resolution 7967: That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the Reeve Memorial Union Addition and Blackhawk Commons Remodeling project at an estimated total project cost of \$18,600,000 Program Revenue Supported Borrowing, contingent upon passage of the 1999-01 Capital Budget.

UW-Stevens Point: Authority to Construct a University Center Lower Level Remodeling Project

Resolution 7968: That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, authority be granted to construct a University Center Lower Level Remodeling project, at an estimated total project cost of \$2,200,000 Program Revenue Supported Borrowing - Facilities Repair and Renovation.

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1999-2000 ANNUAL OPERATING BUDGET

Presenting the annual operating budget, President Lyall explained that adoption of an annual budget is necessary at this time, although the Legislature had not yet completed

action on a state biennial budget or pay plan. The University, she continued, has a stewardship responsibility to students, parents, faculty and staff to get tuition and room and board bills to students and parents for the fall semester, as well as to authorize UW institutions to offer the classes that students expect to be available in the fall. The proposed budget and tuition schedule, she emphasized, represent a best guess of what will enable UW universities to start the academic year offering quality education and a competitive pay plan. When action on the state budget is final, adjustments will be made as necessary to reflect those budget decisions.

Lack of budget specifics at this point meant that the document before the Board could not provide allocations to specific initiatives at the campus level. Once the state budget is passed, allocations will be made based on the decision rules passed by the Board at the March 1999 meeting. If any modifications should be required due to final legislative action, the resolution would direct the Executive Committee of the Board and the UW System President to make appropriate changes.

The budget proposed increasing resident undergraduate tuition for the next academic year by \$84 a semester at the Comprehensive Universities, \$104 a semester at UW-Milwaukee, and \$145 a semester at UW-Madison. The latter increase is composed of \$104 a semester regular tuition increase, plus \$41 for the Madison Initiative. If additional GPR is approved in the final state budget, tuition rates for the second year of the biennium would be set to reflect those additional monies.

The President pointed out that any UW-Madison student eligible for financial aid would receive a \$300 grant so that their overall tuition costs for the year would be \$11 less than last year. The proposed increases, she noted, are less than estimates based on the Board's original budget proposal; and, as in previous years, resident rates are subsidized by higher non-resident rates. The proposed increases would still leave UW resident tuition significantly below peer averages. UW-Madison would rank 8th out of the 9 public Big Ten institutions, UW-Milwaukee would rank 11th out of 15 comparable urban institutions, and the Comprehensive universities would rank 30th out of 35 peer institutions.

Differential tuition initiatives also were included in the annual budget. The UW Colleges were in the final year of an approved return to 87 percent of the Comprehensive Universities' tuition rate. Beginning in 2001, UW Colleges' tuition would be maintained at no more than \$300 below the tuition at the Comprehensive Universities. Under this budget, the Colleges' tuition still is \$175 lower than the Wisconsin Technical College Systems' college parallel tuition. The budget also included a student -approved tuition initiative at UW-Stout.

The President noted that, in many cases, segregated fee rate increases, averaging 9.36 percent, were substantially higher than proposed tuition increases. For the most part, the difference was due to student-initiated programs, including new or expanded student activities and decisions to offer free athletic and entertainment events to students by

subsidizing them through the segregated fee. Room and board rates were to increase an average of 4.21 percent to cover standard costs, plus maintenance, remodeling, computer installation and debt service.

Michelle Diggles, President of United Council of UW Students, noted that proposed tuition increases are 6.9 percent to 9.6 percent, while state support is expected to increase by about two percent. Commenting that tuition is being increased to make up for a lack of GPR dollars, she added that many students already work two or three jobs and graduate with \$15,000 to \$25,000 in debt. She felt that the increases would force another group of students, who previously had been able to afford higher education, to seek financial aid, while those already receiving loans would plunge further into debt. In 1998, she noted, the average undergraduate in the UW System graduated \$14,322 in debt.

In other states, Ms. Diggles noted, public universities were receiving increases in state support and students were receiving tuition rollbacks and freezes. United Council did not agree with the Board's position on a tuition continuing appropriation because they felt that full flexibility would allow the state to under-fund the UW System, knowing that the Regents could raise tuition to make up the difference.

Working together, Ms. Diggles noted that the Board and students had been very successful in such areas as increased funding for UW libraries, moving toward implementation of Plan 2008, better credit transfer between UW campuses and improved student participation in shared governance. For the next biennial budget, she hoped the Board and students would work together throughout the process to achieve greater state support for the UW System.

For the 1999-00 budget, she asked that proposed tuition levels be decreased, thus sending a message that state support must be increased. Revenues generated by tuition, she noted, are scheduled to increase \$50 million for the next year, while new state dollars are scheduled to increase around \$57-\$61 million over the entire biennium. In closing, she urged working together to stop the shift of funding for the university away from the state and toward students and their families.

Nels Bjorkquist, a UW-Madison Law Student, commented that the proposed tuition increases would hit loan recipients harder than grant recipients, who would receive offsetting monies. From participating in freshman orientation, he had learned that students across the state were concerned about tuition and financial aid levels. There were many others, from what he heard, who never applied because they felt intimidated by the debt they would be assuming. Others felt unable to go to graduate school for the same reason.

Urging the Board to freeze tuition, he was unimpressed with comparison to peers, who he felt were also moving in the wrong direction. He agreed with Ms. Diggles that

students should join with the Board to re-establish the state's commitment to higher education and also to ask for full funding of Plan 2008 to emphasize the value placed on diversity.

Sarah Knapp, a UW-Madison student who paid nonresident tuition, remarked that tuition had been increasing faster than inflation and that she did not believe that she would be able to afford the UW any longer. She expressed the view that it was inconsistent to reach out to people of all backgrounds through a commitment to diversity, while at the same time raising tuition and thereby excluding whole groups of potential students. She urged the Board to freeze tuition and work with students to convince the Legislature to provide the UW with more funding.

Leah Whigham, a graduate student at UW-Madison, stated that there are many students who understand the importance of supporting the university through tuition. As a graduate student, she had seen the consequences of budget restrictions, including shortages in laboratory supplies and faculty leaving the UW for much higher salaries elsewhere.

The Madison Initiative, she felt, would help to alleviate such situations. She commented that both as students and as future alumni, students have a great investment in UW-Madison's quality of education and reputation for excellence. Noting that there are many benefits to be gained by learning from scientists who are at the top of their fields, she cited quality laboratory courses, one-on-one learning in research projects, and multi-disciplinary research collaborations. These faculty, she remarked, are committed to teaching, as demonstrated by their willingness to hire and mentor students rather than relying solely on more experienced full-time research specialists. It is to the students' detriment, she pointed out, to lose these talented instructors and mentors.

Ms. Whigham noted that alumni and private donors also benefit from having a premier university in Wisconsin - a fact that is recognized by the Madison Initiative's partnership between public and private financing. She considered it highly appropriate for students to be part of that partnership, adding that lack of student support would send the wrong message to alumni and donors who have offered matching funds. In closing, she thanked the Board for helping to keep the UW strong.

Regent President Orr noted that over one hundred years ago, Regents responded boldly to a serious challenge to academic freedom by adopting the sifting and winnowing resolution which is proudly mounted on Bascom Hill. Today, the Regents face a different challenge, but again need to act boldly to protect and preserve the quality of UW institutions for future generations.

As Wisconsin increasingly competes in a global marketplace, Regent Orr commented, the quality of education the UW gives to students is critical to their lives and

to the future of the state. The proposed budget is designed to ensure that the UW's reputation for quality is in no way diminished.

Even though legislative action is not completed, President Orr explained that the Regents must act now so that tuition bills can be mailed to students and parents in a timely manner. With no clear consensus yet apparent in the legislative process, he stated that the Regents will do what the people of Wisconsin expect: they will act to protect the quality of the UW System.

The budget before the Board, he noted, ensures that the UW will remain competitive in terms of compensation offered to faculty and academic staff. "With a large portion of our top quality faculty retiring in the next few years, we cannot afford to falter. The quality of our faculty and staff simply must continue to be the best. Our students and the people of Wisconsin deserve no less."

Adoption of Resolution 7969 by the Board of Regents was moved by Regent Smith and seconded by Regent Boyle.

1999-00 Operating Budget including Rates for Academic Tuition, Academic Tuition Refund Policy and Schedule, Segregated Fees, Textbook Rental, Room and Board, Apartments, and Parking

Resolution 7969: That, upon the recommendation of the President of the University of Wisconsin System, the 1999-00 operating budget be approved, including the tuition refund policy and schedule and rates for academic tuition, segregated fees, textbook rental, room and board, apartments, and parking, as reflected in the document 1999-2000 Operating Budget and Fee Schedules, July, 1999. The 1999-00 amounts are:

GPR	\$ 960,708,096
Academic Tuition	<u>493,707,515</u>
Total GPR/Fees	1,454,415,611
Other	<u>1,464,379,028</u>
Total	\$2,918,794,639

That the Executive Committee of the Board of Regents is authorized to approve changes resulting from final enactment of the 1999-2001 state biennial budget and that the President is authorized to make final detailed allocations to reflect final legislative and gubernatorial action.

Academic tuition for Minnesota Reciprocity students will be incorporated into the 1999-00 Academic Fees/Tuition Schedule upon receipt of final Minnesota tuition information.

Stating his intention to vote for the resolution, Regent Marcovich commented that, while he was not pleased with the tuition increase, he knew it would be the only way to maintain educational quality. He expressed the hope that the Legislature would not interpret the Board's willingness to raise tuition at this point as a signal that they would be willing to do the same thing each biennium. It was his view that part of the state's half a million dollar surplus should be invested in higher education.

Regent DeSimone observed that the UW could not continue to increase services to students without increasing tuition. He felt that the proposed tuition increase is necessary; and noting that financial assistance is available for students in need, he expressed his intention to vote for the resolution.

Regent MacNeil felt the amount of tuition, rather than the percentage of increase, is what should be emphasized. That amount is fair and reasonable, as shown by comparison with peer universities. Students receive an excellent education at all UW universities, she commented, adding that tuition is an investment in their futures and represents a partnership between taxpayers and students.

Regent Barry pointed out that the state budget contains the best capital budget that the UW has had in many years, with a very important recommitment to renewal, renovation, and repair of facilities. With respect to tuition, he emphasized that the appropriate mix of state GPR support and student support is a philosophic and policy issue that can only be determined by the Legislature. The Board's responsibility is to insure the quality of the UW System and be responsive to students. In that regard, he noted that there is much in the budget that is directly responsive to student demands and that will directly benefit students.

Regent Boyle observed that what is meant by educational quality is having a faculty that can influence students throughout their lifetimes. That influence benefits not only the students, but the state as well. He felt that the focus should be on the dollar amounts of these modest increases, rather than percentages, which are misleading in terms of actual cost to students. It also is important, he noted, to consider the UW's low tuition in comparison to peer institutions. In conclusion, he stated that the people of Wisconsin expect the Board to fulfill its responsibility to maintain the quality of the UW System. For that reason, he supported the resolution.

Regent Mohs commented that he had been very impressed by the excellent work done on the budget by President Lyall and her staff. He expressed appreciation for keeping the Regents informed and included as it progressed. The student tuition payers and their families, he stated, have been in the forefront of everyone's thoughts throughout

the process. With the understanding that students are receiving a great value for their money, one of the balances to be struck involves maintaining the ascendancy of the UW System and UW-Madison as the flagship.

An example of success in the budget, he continued, is an infusion of funding for UW libraries, which have had no funding increase in ten years. At the same time the cost of books and journals has increased dramatically, causing cutbacks in book purchases and cancellation of subscriptions. Noting that a great university cannot exist without a great library, he commended UW library officials for a remarkable job of making do and discovering new and innovative ways to deliver services. He was very pleased that this excellent work could be rewarded with resources to purchase important books, journals, and technology.

Stating his support for the budget resolution, Regent Smith explained that there had been little debate about that course of action because the Board has no alternative but to act in accordance with its responsibility as stewards of the quality of the UW System. He expressed concern about lack of progress in the state budget process, which required the Regents to make a "best guess" on the matter of tuition that is so important to students.

Commenting on the international and diversity elements of the budget, Regent Smith noted that even small businesses now are competing in a world economy and must connect to a global community. The university needs to teach students the skills needed to succeed in this environment. The many different cultures to be found in a world economy point to the importance of diversity on university campuses and the need to move forward with Plan 2008.

Regent Olivieri welcomed the offer made by student speakers to work together in the biennial budget process. With respect to present budget issues, he felt the Board should continue to send the message that more GPR should be invested in higher education. He also considered it important to have financial aid increases comparable to increases in tuition; in that regard, he commended that Madison Initiative's plan to cover tuition increases with financial aid grants from private sources.

With respect to budget initiatives, he cited funding for advising as one area that is of particular importance to students. Another important issue, he remarked, is the recruitment and retention of intellectual capital, which the UW must be able to do in order to remain competitive. A significant portion of tuition, as well as GPR support, goes toward the effort to retain and recruit the best talent possible for instruction in future years. Regent Olivieri also was pleased to see reallocation plans that reflect a continued commitment to instructional technology and distance education. Initiatives in these areas, he felt, would be increasingly important in the coming year.

Stating agreement with much of what had been said, Regent Gottschalk expressed the hope that the Legislature would approve tying increases in tuition to increases in financial aid. He concurred strongly that Regents and students working together could accomplish much. For that reason, he encouraged student organizations to support not only this budget, but also to support full GPR funding for the requested faculty/staff pay increase.

President Lyall expressed appreciation for the spirit in which the students had come to speak at this meeting. The frustration for many was the difficulty of setting tuition before a state budget is approved. The good in the situation, she noted, was that it allowed the students and the UW more time to work together and advocate some re-balancing of student share of costs. She emphasized that the proposal before the Legislature to tie financial aid to tuition increases in the future and to fully fund a competitive faculty/staff pay plan would take a great deal of pressure off tuition rates.

Regent President Orr commented that continuing appropriation authority is an item that is critically important. Every UW institution, he noted, is committed to moving aggressively in distance education and in providing additional services to non-traditional students. To do that, it is necessary to be able to spend tuition as received in order to respond to student demand for specific programs.

President Orr stated that the importance of the pay plan could not be overemphasized. In pay levels for senior faculty, UW-Madison ranks 11th out of 11 peer institutions, UW-Milwaukee is 13th out of 15, and the comprehensive universities are 22nd out of 32 peer institutions. These senior faculty, he pointed out, are nationally recognized educational leaders who have contributed enormously to the economy and quality of life of this state. Noting that one quarter of the faculty will be retiring over the next several years, he emphasized that the quality of an education in the UW System in the next generation will be a function of how effectively those faculty could be replaced with new faculty of comparable skill. This situation makes the pay plan critically important to the UW and the state as a whole.

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CANCELLATION OF MEETINGS SCHEDULED FOR AUGUST 26 AND 27, 1999

Adoption of Resolution 7970 was moved by Regent Boyle, seconded by Regent Smith, and carried unanimously.

Cancellation of August meetings

Resolution 7970: That the Board of Regents meetings, scheduled for August 26 and 27, 1999, be cancelled

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EXECUTIVE SESSION

At 1:15 p.m., the following resolution was moved by Regent Smith, and adopted on a unanimous roll-call vote, with Regents Barry, Boyle, Brandes, DeSimone, Gottschalk, MacNeil, Marcovich, Mohs, Olivieri, Randall, and Smith (11) voting in the affirmative. There were no negative votes.

Resolution 7971: That, the Board of Regents recess into closed session, to consider appointment of Acting Dean, UW-Marathon County, as permitted by S.19.85(1)(c), *Wis. Stats.*

The Board arose from executive session at 1:20 p.m., having adopted the following resolution:

UW Marathon County: Appointment of Acting Campus Dean

Resolution 7972: That, upon the recommendation of the UW Colleges Chancellor and the President of the University of Wisconsin System, Howard Thoyre be appointed Acting Campus Dean of the UW Marathon County, effective August 1, 1999, at a salary of \$90,000.

The meeting was adjourned at 1:20 p.m.

Judith A. Temby, Secretary