

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in Room 1820 Van Hise Hall
Thursday, April 4, 2002
10:30 a.m.

- President Smith presiding -

PRESENT: Regents Axtell, Barry, Boyle, Burmaster, DeSimone, Gottschalk, Gracz,
Jones, Klauser, Krutsch, Marcovich, Mohs, Olivieri, Schneiders and Smith

ABSENT: Regents Brandes and Randall

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ADMISSION AND BUDGET UPDATE

Stating gratitude for the Governor's help and the Senate's pledge to restore funding, Regent President Smith reported that the Senate is expected to limit the UW's cut to about \$20 million over the biennium, recognizing the important role the university plays in the state's economic development. That would restore the full economic stimulus package and enable the UW to enroll a full class of 133,630 FTE students in the fall. Governor McCallum had pledged to attempt to restore the university's cut to his recommended level of \$51 million – an amount that the UW had said could be managed.

These assurances, Regent Smith continued, enabled the Executive Committee to lift the admissions suspension two weeks previously and to authorize UW institutions to admit another 5,500 FTE students.

Noting that a hiring freeze remains in effect until the final budget outcome is known, he cautioned that there still is some risk of enrolling more students than the budget can accommodate.

During the process, the question had been raised as to why the UW could not accommodate a \$100 million cut in a \$3 billion budget. Indicating his intention to address that question, he noted that the UW's budget is complex and needs to be better explained to the public.

Referring to a pie chart showing sources of funding, Regent President Smith pointed out that funds come from a number of sources, including auxiliaries, gifts, federal monies, fees, and state GPR. Those funds are targeted for specific purposes. Funds are allocated to each of the UW's 15 institutions and each manages its own operating budget for maximum efficiency. GPR collars represent 32% of the operating budget and 99 cents of each of those dollars go directly to UW campuses. The proposed \$108 million cut represents 13% of that 32%.

Turning to a graph showing budget changes over time, President Smith indicated that the university no longer is funded primarily by student fees and state GPR dollars. Over the past 10 years, GPR support has remained essentially flat when adjusted for inflation, while funding from tuition and all other sources has gone up. When the UW System was founded 30 years ago, the state provided half of its operating budget; now it provides one-third.

He then referred to a graph that showed the UW to have become a lower priority in state spending over the past 10 years. While the state budget increased 74%, the UW budget increased only 37%. The largest growth in state spending has been in corrections, K-12 education, and local government aid. In terms of dollars, overall state spending since 1992 increased \$4.9 billion, while state support for the UW grew just \$281 million.

This is a particular problem, Regent Smith pointed out, because the university is one of the primary agents of the state economic growth. Faculty and staff assist local businesses and spin off successful companies, and the state depends heavily on UW graduates to fill its workforce needs. For example, 9 out of 10 registered pharmacists in Wisconsin are UW graduates, as are 68% of the state's K-12 teachers.

Noting that one way to do more with fewer dollars is by becoming more efficient, Regent President Smith pointed out that efficiency and accountability have been high priorities and that the Board is very proud of how effective and efficient the UW System is. National data show that UW administrative costs are about half those of peers in other states. This efficiency saves the state and students about \$115 million a year and enables the UW to serve about 15,000 more students than peer universities with the same dollars.

Turning to a slide on budget cuts, he indicated that the UW base budget has been reduced by \$55 million during the last decade. Cuts were made to the UW even during good times when state revenues were growing. While budget reductions also are occurring in other states, Wisconsin's cuts have been deeper. In the Midwest, only Ohio had an increase in higher education funding, while Wisconsin and Minnesota lost the most ground.

As to the question of why a \$100 million cut is so problematic, Regent President Smith referred to a chart (the chart is attached as Exhibit A) detailing the UW's sources of revenue and the uses to which they are put. He called on Associate Vice President Kathi Sell to explain the chart in the context of the proposed budget cuts.

Dr. Sell pointed out that the first three categories of funding – federal funding; gifts, grants, and contracts; and auxiliaries, hospitals and other outside receipts – are largely composed of funds that must by law or by contract be used for specific purposes. They cannot be transferred into the instructional base to offset state cuts. Much of the federal, gift and contract monies are one-time receipts that cannot be added to base funds.

Funding for undergraduate education, she continued, primarily comes from tuition and state GPR. 99.8% of tuition is used for instruction, with the other .2% used for academic support, libraries, and instructional technology.

Of the \$1.06 billion received from the state, \$174 million is for restricted purposes, including the School of Veterinary Medicine, the Animal Health Lab, debt service, and utilities. The remaining \$893 million, Dr. Sell pointed out, is the category from which state budget cuts must be taken. 58% of that funding is for instruction, student services and academic support. Academic support includes libraries and computing; student services includes advising; and instruction refers to classroom teaching. All three of those categories are composed largely of people and their salaries – faculty, staff, and TAs. Of the remaining funding, 26.9% is for infrastructure – physical plant, maintenance, and administration. Administrative costs are only 5.8% across all categories of funding. 13% of the funding from the state is for research and public service, and 1.2% is for financial aid.

Therefore, she concluded, most of the state GPR appropriations are for staff in the classroom or staff supporting the classroom, and this is the area where budget cuts must be made.

Regent President Smith noted that the category of infrastructure includes building maintenance, but that other building projects are contained in the capital budget.

In response to a question by Regent Klauser, Dr. Sell confirmed that the proposed cut of \$100 million would have to come from the \$893 million category.

Regent Marcovich asked how much of the \$893 is under contract or otherwise obligated, to which Dr. Sell replied that 83% of it is for salaries and fringe benefits, and that a large portion of the instructional staff is tenured. To implement the cuts, vacancies could be left unfilled and non-tenured staff could be laid off.

Referring to the category of auxiliaries, hospitals and other receipts, Dr. Sell explained that included in this category are student segregated fees that pay for such services as student activities developed by student governments, student unions, and athletics. The category

also includes money that students pay for room and board, books, and parking. By statute these funds are to be used for their specified purposes. Finally, the category includes funds appropriated directly to the hospital.

In response to a question by Regent Schneiders, Dr. Sell explained that hospital funding includes about \$3-\$4 million of GPR in the Medical School budget for training of residents. The rest is program revenue collected from patients. The hospital exists as a separate corporation.

Replying to a question by Regent Krutsch, Dr. Sell indicated that differential tuition, service-based pricing and special instructional fees are included in the tuition category.

Regent Barry pointed out that reductions in the tuition category result in direct reductions in instruction. Dr. Sell added that in 1995-1997, the UW was allowed to offset \$10 million of a \$40 million cut by increasing tuition.

In response to a question by Regent Barry, Dr. Sell indicated that funding for diversity is included in the state category, with some funds also coming from the federal government, as well as private gifts.

In response to a question by Regent Smith, Dr. Sell indicated that the tuition category also includes special course fees for such items as laboratory supplies.

Regent President Smith pointed out that, when revenue from the state and tuition categories is decreased, it is necessary to cut back on instructional personnel, which means a reduced level of service. Therefore, it is necessary to manage enrollments in order to maintain quality.

Regent Schneiders commented that the chart is very helpful and that, if it had been available earlier, there might have been better public understanding about the reason for suspending enrollments. While people had difficulty understanding why the UW could not make a \$100 million cut in a \$3 billion budget, this chart would help the public to understand that it actually meant \$100 million out of \$900 million at a time when demand is increasing to accept more students and provide more technical specialties.

President Lyall explained that some of the categories are interrelated. For example, donors generally are willing to give the university money to supplement, but not replace, state aid; and state support also can be used to leverage federal grant money.

Noting that other state entities also will be making their cases to the Legislature, Regent Mohs urged that Regents, Chancellors and others make clear to members of the Assembly the understanding that everyone is on the same team. There is a deep well of affection for the university in the Assembly, he pointed out, adding that it is important to continue to work with members of both houses in reaching a solution to the budget problem.

Regent President Smith emphasized that funding from the following three categories comes to the university for specific purposes and cannot be transferred into the instructional base to offset budget cuts: 1) Federal funds, 2) Gifts, Grants and Contracts, and 3) Auxiliaries, hospital and other receipts. The categories of tuition and GPR together comprise the funding source for instruction and other student-related needs. 74% of GPR/fee funding is for instruction and related items. The state funding category, from which cuts must be taken, represents 32% of the UW budget. \$174.2 million of that total is set aside for utilities, debt service, and other restricted appropriations, leaving \$893 million from which to take the cuts. That would be a 13% reduction to those funds, which are 57% instruction related. 83% of the GPR/fee budget funds faculty and staff, the remainder being for financial aid, utilities, debt service, supplies and equipment.

He pointed out that chancellors, faculty and staff are encouraged to pursue federal funding as well as gifts and grants. Campuses also are expected to run auxiliaries in an efficient manner to keep costs down, while meeting student needs, along with safety and other requirements.

With regard to the category of tuition, Regent President Smith noted that the Regents set tuition for some categories of students but that resident undergraduate tuition, which provides most of the funding from this source, must be approved by the Legislature and the Governor. In the category of State funding, the GPR budget is determined by the Governor and Legislature.

Indicating that the university, with its complex set of revenues and markets, must be run like a business, he noted that it is a people-intensive business, with faculty and staff comprising about 83% of the UW's expenses. When the budget is cut significantly, it is necessary to cut faculty and staff, which reduces the instructional capacity to serve students and consequently affects enrollments.

Noting that quality can not be maintained if the number of admissions are not controlled, President Smith considered prudent the Board's decision last month to pause and assess enrollments in view of the commitment to quality education.

In conclusion, Regent President Smith urged that the state recommit to public higher education and make it a priority again. If deep cuts must be made, he pointed out, a great deal of planning would be required to manage them because the area affected is specific and related to instruction.

Regent Krutsch observed that the complexity of the problem is increased by the fact that the UW is composed of many different institutions with different missions.

In response to a question by Regent Schneiders, Dr. Sell explained that resident undergraduates pay about 35% of the cost of instruction and that percentage is an average across institutions, while nonresident students pay 160%.

RESOURCE: BUILDING OUR RESOURCE BASE – FIRST READING ON OPTIONS

Regent President Smith introduced the presentation by noting that the options before the Board represented the culmination of work done over the past year on the theme of “Building our Resource Base”. Under this theme, the Board had received presentations from University of Main System President Terry MacTaggart and the University of Colorado Finance Officer. Seven papers on possible GPR and program revenue strategies and five papers on possible tuition strategies had been reviewed. Out of these efforts had come 20 possible action items, to which the Business and Finance Committee added two more possible initiatives. Of these 22 items, 16 were recommended for immediate action, pilot projects, or further study. Of the remaining six, three were recommended for deferral and three for no further consideration. The options were presented at this meeting for general discussion, after which they would be further considered by the Business and Finance Committee, with action on the options to be scheduled for the May meeting.

Summarizing the options, Associate Vice President Kathleen Sell indicated that 7.5 items were recommended for immediate action:

Option 1 – Seek authority to keep program revenue investment and tuition earnings, rather than having them devolve to the state general fund.

Option 2 – Seek authority to invest a portion of auxiliary funds in long-term securities in the hope of obtaining a higher earnings balance while maintaining low risk.

Option 8 – Undertake a feasibility study for an enhanced systemwide fundraising strategy.

Option 13 – Move toward more self-supporting adult and professional programs.

Option 15 – Modify the current tuition policy to move over time toward a goal of reaching 95% of the peer midpoint for resident undergraduate tuition, as recommended by the Business and Finance Committee.

Option 18 – Compact Component: Revenue Control (full rather than limited tuition continuing appropriation; ability to keep interest earnings on tuition revenue).

Option 21 – Compact Component: Expanded coverage within standard costs to continue to provide more predictable funding.

Option 22 – Affordability compact to link financial aid to tuition increases.

In response to a question by Regent Mohs, Dr. Sell indicated that the UW currently is \$900 per student below the midpoint for UW-Madison, \$700 for UW-Milwaukee and \$600 for the comprehensive universities. Assistant Vice President Freda Harris added that the modified goal would amount to about \$45 million.

Regent Axtell commented that the options were an excellent summary of a long period of complex work. With regard to Option 8, he pointed out that outside funding can be divided into federal and private sources and asked that this differentiation be reflected in the final report. Dr. Sell concurred, noting that the study of federal funding strategy had been completed.

Regent Axtell suggested that Option 13 include specific reference to e-learning and exporting of on-line courses as a revenue source. He noted that internet-based learning also is a key element of Option 14 – Consider more corporate college efforts.

He then referred to Option 21. Noting that this initiative includes preventive maintenance, he pointed out that it is penny wise and pound foolish not to maintain facilities properly and that adequate maintenance of facilities is not taking place. It is important, he stated, to draw attention to this key issue.

Regent Barry noted that Option 21 dealt specifically with maintenance for new buildings. He suggested that an initiative is needed that deals directly with the matter of preventive maintenance. Dr. Sell indicated that Option 21 also would include other standard costs, such as cost increases for periodicals.

Dr. Sell turned to the second category – items for pilot projects:

Option 9 – Per credit tuition. UW-Stout's per credit plan begins in the Fall of 2002, and other institutions are invited to do pilot projects.

Option 12 – Nonresident alumni children's legacy tuition. The recommendation for this option was to study it further and confine it to a pilot to be sure that a sizeable amount of revenue would not be at risk.

In the third category – options for further study, Dr. Sell listed the following:

Option 1 – Make investment of program revenue non-tuition earnings a priority for further study.

Option 3 – Assume full cash management responsibilities for all program revenue appropriations (possibly GPR as well).

Option 7 – Increased flexibility to transfer or loan funds from auxiliary operations, including evaluation of why institutions rarely use the flexibility they have in this area.

Option 10 – Cohort tuition, including further study of revenue impacts and mechanisms to prevent cross-class subsidy problems.

Option 14 – Corporate college and encouragement to campuses to undertake more of those initiatives.

Option 17 – Compact component: Quality control (spell out ways to deal with budget shortfalls).

Option 20 – Lump sum budgeting for compensation and new initiatives.

Options recommended for elimination were:

Option 4 – Complete flexibility to manage tuition and fees seamlessly.

Option 5 – Manage tuition and fees seamlessly, excluding allocable student fee funds.

Option 6 – Manage tuition and fees seamlessly, excluding all segregated fee funds.

These options were recommended for elimination based on the belief that there should continue to be a firewall between those two funding sources to ensure sound fiscal management. It also was noted that tuition revenue should support all students and that fees are collected for specific purposes.

Options recommended for deferral were:

Option 11 – High tuition, high aid.

Option 16 – Full compact with the state.

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Option 19 – Compact component: enrollment purchase. With regard to that option, Regent Krutsch had expressed the concern that it would give the state control over enrollment management.

Regent Olivieri suggested that the options include a more aggressive effort to promote differential tuition throughout the System, possibly including differential tuition for some undergraduate programs.

In response to a question by Regent Klauser, Regent Olivieri indicated that the purpose would be to enhance revenue, not necessarily to reduce the costs of other courses. Dr. Sell indicated that this suggestion could be added as a separate option.

In response to a question by Regent Olivieri about Option 7, Dr. Sell explained that this option encourages use of current policy that permits one-time transfers of surplus revenues through the annual budget process.

Regent Olivieri felt that campuses should be expected to exercise this flexibility on a regular basis and that there should be immediate action to see that it is used, rather than to study why it has not been used as much as expected.

Referring to Option 9, Regent Barry expressed the view that a study of per-credit tuition should be expanded to combining plateau tuition with an increase for credits above the plateau. He also suggested analysis of higher cost for credits beyond those needed for graduation.

Regent Olivieri concurred with including differential tuition for credits above a certain number among the options for action by the Board.

With respect to Option 10, Regent Barry did not think further study of cohort tuition would be useful and that differential tuition is a better option. Dr. Sell added that the two states that were considering cohort tuition moved to differential tuition instead. Regent Barry thought it unlikely that incoming freshmen would be willing to pay higher cohort tuition for revenue generation. He considered it more reasonable to think in terms of higher tuition for higher cost programs that yield better wages. Indicating that he would like tuition analysis to be driven by policy issues the Board has articulated, Regent Barry suggested focusing on per-credit and differential tuition, rather than simply moving to 95% of the peer midpoint.

Regent Jones agreed that Option 10 should be eliminated, noting the concerns about this option expressed by students and others.

Regent Gottschalk noted that a type of cohort tuition is being considered by the Medical School. While he understood the concerns about undergraduate cohort tuition, he thought there might be focused applications in specific professional or graduate situations.

Regent Mohs observed that students had done a lot of thinking about the subject of cohort tuition and had presented an excellent paper on it. He felt that current students would look at it from the standpoint of not having to face rising tuition, while entering students would have a different point of view. Noting that Regent Boyle and Regent Gottschalk intended to meet with medical students on this subject, he thought that raising entering tuition even further from its already high level would adversely affect the ability to attract new students, unless a large component of financial aid were added.

While he was not speaking in favor of or opposed to cohort tuition, Chancellor Wiley pointed out that an advantage would be to encourage timely graduation by limiting the number of years during which the tuition would remain level.

Noting that there are potential benefits to cohort tuition, Regent Krutsch spoke in favor of leaving it to individual institutions to decide whether it would serve their students and goals.

Regent Gracz asked if it would be legal to charge different rates for students in the same class, as could occur under a cohort tuition model.

General Counsel Brady replied that legal protection issues would need to be included in any further study of this option. Noting that the Board has statutory authority to set tuition, there would need to be legally acceptable rationale for whatever option is selected.

Regent Gracz commented that cohort tuition could have a negative effect on women and minority students in that single mothers and others who must work to support themselves through school often take longer times to complete their degrees. If they did not graduate in the specified number of years, they would have to pay significantly higher tuition.

Regent Krutsch noted that most cohort tuition models apply only to full-time students.

Regent Barry suggested that the Business and Finance Committee consider the matter of nonresident tuition when reviewing the options further. Expressing concern about legislative action to significantly raise nonresident tuition, he pointed out that many nonresidents are among the UW's brightest students and that they could be deterred from attending by high tuition rates. He recommended that there be an analysis of appropriate levels of nonresident tuition as a basis of reaching an understanding with colleagues in the Legislature. While there is a need to derive revenue from these students, he added, tuition should not be so high as to drive them away.

Expressing agreement with Regent Barry, Regent Marcovich added that campuses composed almost entirely of Wisconsin residents would not provide as rich a learning environment as campuses with a more diverse mix of students.

With regard to cohort tuition, he expressed his understanding that voluntary participation could be included in the models, so that students could decide whether to pay the higher entering tuition or pay whatever the increases would occur.

Regent President Smith noted that the sense of the discussion was to study various models of cohort tuition with the view that there might be some application for that option within the System.

Regent Krutsch expressed agreement with Regent Barry's comments about differential tuition for more expensive programs and after reaching a certain level of credits. Noting that these ideas are relevant to discussion of access versus quality, she said that, because taxpayers support two-thirds of the cost of every instructional credit, everything possible must be done to use that money wisely. In the ongoing effort to maintain high access for high school graduates, she felt these types of options could be used to enhance that public

policy goal. Indicating that Option 22, the affordability compact, also fits within this category, she suggested that this area be expanded to include the amount of debt at graduation. Affordability would be improved if students would complete degrees with fewer credits and in a lesser amount of time.

Inviting comments on Option 17, Regent Gottschalk suggested moving this item forward immediately, rather than making it a priority for further study, due to the timeliness of the question of dealing with budget shortages.

Regent Olivieri felt the option is too formula-oriented in terms of how it would affect enrollment. Instead, he thought Regents should have the opportunity to push management to maintain enrollments despite budgetary challenges.

Regent Klauser noted that areas other than GPR could experience budget shortfalls. Rather than have decisions driven by a formula, he felt the Board should retain the responsibility to react to such situations as they occur using its own guidelines and policies.

Regent Krutsch agreed, observing that it is preferable for the Board to make such important decisions after thoughtful discussion, rather than have them determined by a formula.

Regent Olivieri indicated he would oppose Option 12 if it meant enrolling fewer Wisconsin students. Even if it referred only to the mix of nonresident students, he expressed concern about negative revenue impacts.

Dr. Sell explained that the intent would be to maintain nonresident tuition for alumni children at over 100% of costs, but to discount it by \$3,000, so that they would pay about 120% or 130% of cost. The purpose would be to encourage additional nonresident students to promote the brain gain strategy, on the theory that students with Wisconsin ties might be more likely to stay in the state after graduation. These students would be admitted in addition to resident enrollments and would not replace Wisconsin students. The purpose of limiting this option to a pilot and conducting further study would be to assess the financial impacts of broader implementation.

Chancellor Wiley did not believe that a revenue loss would result from this option. Noting that nonresident yield rates are already low and declining, he added that many alumni have expressed a desire for this type of program.

Regent Barry commented that if nonresident tuition were set at a more reasonable level, yield rates could be expected to improve.

Regent Schneiders indicated that she did not favor cohort tuition and that it would further complicate the situation for students considering college. She agreed with Regent Gracz that it would have a negative impact on students who need to work their way through school. She also expressed concern about tuition differentiation on the undergraduate

level, noting that many entering students do not know what they want to study and that tuition levels would affect student decisions about what programs to enter.

As a former member of the Building Commission, Regent Schneiders noted that facility maintenance has been a continuing problem. Noting that legislators have tended to favor new buildings, she asked the chancellors for their ideas on how to deal with the maintenance matter.

Chancellor Wells indicated that UW-Oshkosh has only one new building in its ten-year plan and that the campus has not had a new free-standing academic building since 1971. The plan utilizes all existing buildings and maintenance is important in the plan as well.

He expressed concern about differential tuition on the undergraduate level and noted the importance of insuring access to the more expensive majors to students of all economic backgrounds. If differential tuition were to be implemented, it would be important to have adequate financial aid packages so that talented people would not be shut out of certain fields for lack of money.

Noting that the UW System is very lean in the areas of administration and student support, including counseling and advising, he noted that leanness in these areas affects the ability to improve time to degree. He suggested that these areas be given priority for differential tuition dollars.

Chancellor Erlenbach seconded Chancellor Wells' comment about the care that institutions give to their physical planning and evaluation processes. He noted that there are cases in which a building has outlived its useful life and needs to be replaced. Regent Schneiders remarked that it always has been more attractive for the Legislature to build a new facility than to set aside a pot of money for preventive maintenance. She emphasized that a plan is needed to get this done.

Chancellor Erlenbach indicated that UW-Superior's newest building will utilize non-state funds for maintenance. A similar plan will be considered for future buildings.

Pointing out that the problem of deferred maintenance is not unique to the university, Regent Klauser indicated that all state agencies with large facilities encounter the same situation. The solution, he explained, is to define what should be included and bond for priority items. While the university would not get \$400 million at a time for these projects, he suggested that an increment of bonding be included in each biennial capital budget for projects that will extend the life of facilities.

Summarizing requested modifications, Regent President Smith identified modifications to Option 22, adding differential tuition and nonresident tuition to immediate action items, modifying Option 9, moving Option 7 to immediate action, modifying Option 10, and modifying Option 17 and - moving it to immediate action.

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QUALITY: ISSUES RELATED TO THE FUTURE OF ACADEMIC LIBRARIES

Regent President Smith introduced Kenneth Frazier, Director of the General Library System at UW-Madison, noting that libraries are key assets in providing students with a quality educational experience and that there is not greater champion of UW libraries than Mr. Frazier. Mr. Frazier has been a member of the UW-Madison library staff since 1978 and has served as Director since 1992. Among his many accomplishments, he is part-president and a member of the Board of Directors of the Association of Research Libraries, as well as a founding member and past-chair of the Scholarly Publishing and Academic Resources Coalition. This is an initiative dedicated to reducing the cost of research information by prompting competition and technical innovation in scholarly publishing – an effort that has been crucial, given the escalating costs of scholarly journals and has become even more important in today's budget climate.

In July 2000, Mr. Frazier was the recipient of the Hugh C. Atkinson Memorial Award for his leadership and risk-taking in the development of new approaches to the crisis in scholarly communication.

Noting that Mr. Frazier would address the UW libraries' strategic direction of "One System, One Library", Regent Smith stated that UW System libraries have demonstrated good stewardship of resources and employed collaborative strategies to meet challenges. They continue to provide students, faculty, staff and other Wisconsin citizens with quality service and access to a fine university library collection of traditional print and electronic resources. However, he added, further development and maintenance present challenges and opportunities that cannot be ignored, even in present budget circumstances.

Mr. Frazier began his presentation by indicating that he would talk about ways in which UW libraries are collaborating to control costs and to serve users better with the resources that are available. He thanked the Regents for being champions in the effort to win a budget increase for libraries in the previous biennium, after there had not been an increase for 10 years.

The strategic plan of the UW libraries called for ending the traditional practice of operating as a consortium of independent libraries and instead acting together as one integrated and interdependent library system. This plan transformed the way libraries operate in the UW System.

To illustrate the benefits of this approach, Mr. Frazier quoted Paul Moriarty, of UW-Platteville, who said: "At Platteville, we could not begin to afford the array of online

resources that we can provide collectively . . . the cooperation of UW libraries has been one of the best things to happen . . . during my career.”

The plan also required new methods of evaluating and measuring library services. Noting that it used to be that the best library was the biggest library, Mr. Frazier said the focus has changed from measuring resources consumed to measuring performance. The plan also has provided the opportunity to rethink the balance between print and digital collections and to eliminate the collecting of print documents where users can be served better by electronic access.

Nonetheless, he pointed out that books still are the preferred method for sustained reading and that difficult and challenging reading still is fundamental to academic study in many disciplines. There continues to be growth in print publishing; for the non-English speaking world, most scholarly publishing is in print form only. A disadvantage to electronic information, he noted, is that it can disappear forever on the Internet. In addition, some digital information can be more expensive than the same information in print. In that regard, he explained that most electronic data bases are owned by the same publishing conglomerates that dominate much of scientific and technical publishing.

Dr. Frazier commented that public universities no longer can afford the rising costs of journals and data bases that increase each year at four times the rate of inflation. Books, on the other hand, track the consumer price index fairly closely.

In response, he explained, the UW Libraries have adopted a new strategy of managing resources. They acted aggressively to cancel the most costly academic publications, instead relying on high-speed document delivery to mitigate the loss of subscriptions. They also are supporting new models of scholarly publishing in order to leverage resources to the best effect.

With regard to performance, Mr. Frazier indicated that the UW-Madison Library System ranks near the top nationally in the ability to share resources through interlibrary loan and other strategies. By canceling the most expensive resources, the library system had been able to retain more reasonably priced resources. The system continues to support some of the leading research programs in the world, he stated, adding that it also has the finest desk-top document delivery system of any major university.

The assessment process, he continued, also brought realization of the importance of providing public access. This can be done at very low marginal cost. As an example, he cited the fact that hospitals no longer can afford research libraries and rely directly upon document delivery from the great research universities of the country through a service called DOC LINE. There also is high usage of UW information resources on the Internet by public schools.

Noting that outreach to business is a long tradition in Wisconsin, Mr. Frazier reported that the UW provides one of the largest document delivery services to industry of any state.

Under development is a new program to extend document delivery to start-up enterprises that depend on high-tech information. This initiative is being undertaken in collaboration with the UW Extension Small Business Development Center and other partners.

The library system also is collaborating with faculty at the UW and other research campuses to create more affordable models of research communication to compete with some of the expensive journals.

Stating that these are just some of the new ideas being implemented, Mr. Frazier pointed out that all of them have the element of outreach – taking the library resources that have been built up over generations and making them more available and accessible to students, teachers and to the Wisconsin community.

Looking ahead, he noted that the changes that have been made are irreversible, but that some of the traditional values of the libraries remain durable. The library remains the laboratory of the humanities and continues to be essential to training professionals in law, medicine, engineering and other fields to retrieve and evaluate information.

In conclusion, Mr. Frazier pointed out that libraries will require ongoing investment, although not at the rate of the inflated cost of scholarly journals. He mentioned three examples: First, the Wisconsin Historical Society Library, which is the library by statute for North American History and one of the greatest history libraries in the country, now is becoming unable to support its mission. The UW libraries, therefore, will have no choice but to begin to collect material on North American History. Second, the UW Law Library now is in 87th place in acquisitions budget among North American law schools. Third, UW-Milwaukee ranks very low among metropolitan universities in its collection budget. An overall concern, he added, is the need for a cost-to-continue investment in information in order to provide quality libraries.

In response to a question by Regent Mohs, Mr. Frazier explained that one problem for the Historical Society is that it is well over 100% capacity, which means that it can no longer seize opportunities. Therefore, the library recently had to turn down the papers of Melvin Laird, one of the most important historical figures to come out of Wisconsin in the 20th century.

Regent Krutsch asked how the UW libraries were able to make the exceptional changes Mr. Frazier had outlined. In response, Mr. Frazier indicated that the movement toward assessment in higher education generally was a factor, along with UW-Madison's culture of strongly supporting risk taking in innovation. Over all, there was the matter of necessity – the only course to maintain excellence was to engage in much deeper collaboration among libraries.

Regent Krutsch indicated that she is particularly impressed with the initiative to integrate library content into teaching.

In response to a question by Regent Schneiders, Mr. Frazier explained that the Council of UW Libraries has existed for many years as a means of promoting collaboration among the university campuses. It includes representation from all the institutions, as well as faculty representatives and members of System Administration. It is the principle vehicle for collaboration among libraries.

With regard to the State Historical Society Library, Regent Barry asked if there is activity under way to look at governance issues in possible combination with UW-Madison. In response, Mr. Frazier credited William Cronin, Fredric Jackson Turner Professor of History and a member of the Board of Curators of the Historical Society, for taking a leadership role in negotiating a new approach to governance of the Historical Society Library. The discussions are under way, but still have some distance to go in searching for a solution.

Regent Barry indicated that the Board would welcome progress reports and would be willing to offer assistance, if needed.

Chancellor Wiley expressed concern that there would be pressure to transfer responsibility for the Historical Library collections to UW-Madison without provision of adequate resources and space. This is a problem, he noted, that the university cannot solve by itself and that money cannot be reallocated from other parts of the university to assist the library.

Regent Burmaster thanked Mr. Frazier for the excellent collaboration between UW libraries and K-12 schools. She asked if public access is available on all campuses and if any citizen can obtain a UW library card.

In response, Mr. Frazier indicated that most UW libraries have borrowing privileges for citizens at nominal or no cost and that citizen access to UW libraries is a national model. This tradition, he noted, is in accord with the Wisconsin Idea.

Chancellor Reilly added that UW Extension is working to bring electronic and human systems together to get information out to the public around the state, including small businesses, through such means as digital asset management, and video and audio recordings. The intent is to acquire once and publish everywhere. Regent Burmaster noted that this also provides greater access to information for teachers.

President Lyall commended Mr. Frazier and colleagues around the System for their hard work to get everything possible out of the resources that they have. She recalled that two biennia ago the Board supported a budget request for libraries to rebuild their collections and that half of the requested money was provided. She expressed hope that at some point the other half could be delivered in order to maintain library collections as an extraordinary resource for the students and people of the state.

Regent Burmaster pointed out that UW libraries are the sole source for loaning scientific and other journals to public libraries. She emphasized that it is important to maintain access to these important resources.

The meeting was recessed at 12:35 p.m., and reconvened at 12:50 p.m.

-

MILWAUKEE PARTNERSHIP ACADEMY

Introducing the presentation, Regent President Smith remarked that the Milwaukee Partnership Academy is a model partnership composed of six institutions: UW-Milwaukee, the Milwaukee Public Schools, the Milwaukee Teachers Education Association, the Milwaukee Area Technical College, the Private Industry Council, and the Metropolitan Milwaukee Association of Commerce. This partnership, he commented, is exactly the kind of public-private, PK-16 collaboration needed to provide a quality education for all students and families.

Last June, he recalled, the Board passed a resolution directing each chancellor to work collaboratively with PK-12 and postsecondary education leaders to develop a well-articulated plan for achieving local quality PK-16 education. This June, the Board will receive a full report on PK-16 activities and efforts. Noting that this presentation provides a preview of these kinds of initiatives, he introduced Chancellor Nancy Zimpher to speak about the Milwaukee partnership.

Chancellor Zimpher began her remarks by recognizing the contributions of Regent Vice President Randall, in his capacity as Executive Director of the Private Industry Council, and of Regent Burmaster, in her capacity as State Superintendent of Public Instruction.

The Milwaukee Partnership Academy, she continued, was formed in 1998, at which time the U.S. Department of Education began to base fund allocation decisions on the existence of partnerships between schools and universities. This provided an incentive to formalize the existing relationship with K-12 schools and to bring everyone to the table regularly. The partnership already has brought in nearly \$30 million in federal grants, some applied for by MPS, some by UWM and some by MATC.

Noting that the problems and challenges facing Milwaukee are not unlike those facing major urban areas everywhere, she cited 40% truancy rates, less-than-50% graduation rates, significant numbers of students not performing at grade level, and a serious decline in performance from second grade through the high school years. Seventy-seven percent of students in Milwaukee are eligible for free or reduced price school lunches, which indicates socio-economic condition. Over 80% of MPS students are people of color. The average state per pupil expenditure in Milwaukee is \$500 below the state average. Forty-six percent of families of color in the City of Milwaukee live in poverty, and in over 40% of the families, the parents did not graduate from high school. The income difference

between having and not having a bachelors degree is \$1,800 per month versus \$450 per month. Children who grow up in conditions of poverty, she observed, have much greater learning challenges than do other children.

Turning to the challenge of attracting and retaining teachers for the Milwaukee Public Schools, Chancellor Zimpher pointed out that one source of difficulty is that, even today, most teachers are Anglo and female, and less than 12% of them want to teach in an urban setting. Therefore, there are many teachers without proper credentials teaching in urban schools and a disproportionate number of under-qualified math and science teachers. She noted that the conditions of employment are not attractive to teachers of high quality and that 50% of the teachers who take employment in MPS leave within the first few years.

In thinking about how to deal with these problems, the Chancellor continued, it became apparent that the largest difficulty has been institutional separation. This separation exists even within the university where the schools of education and arts and sciences are not as collaborative as they should be. There also is separation between the university and the schools, where faculty supervise student teachers but don't stay in the schools long enough to help define curriculum or improve professional development. Similarly, cooperating teachers in the schools do not help define the curriculum for higher education. Universities turn newly graduated teachers over to schools without provision by either institution of appropriate mentoring and support, thus leading to high attrition of new teachers.

What the partnership group agreed to do, she explained, was to deal with the problem collectively, with all partners taking responsibility to improve the quality of teaching and learning in their urban setting. The partners agreed that they will increase student achievement and that they all will be accountable for doing so. They agreed to improve the quality of future teachers so that they are well-equipped to come to an urban district, to stay there and be successful. And they agreed to remove bureaucratic and systematic barriers to working together.

The partnership's goal is ambitious, the Chancellor stated. It is to put every child in Milwaukee on grade level in reading, writing and mathematics. If that goal is attained, she predicted, students will graduate from high school, go to college, and be successful.

To achieve that goal, the partnership board adopted five strategies. To implement them, a team had been formed consisting of teachers, curriculum directors, principals, and faculty from the Colleges of Education and Arts, Sciences and Humanities. Each will devote one day a week to work on strategy implementation.

Chancellor Zimpher then described the five strategies.

(1) Move to better learning achievement through a balanced literary framework, which is defined as a comprehensive literacy program that provides a balance of skill development and literacy-rich activities across all subject areas. Educators at all levels must be united around this central concept that will be applied for students of all ages.

(2) Create school learning teams. Leadership teams for each school will be composed of the principal, outstanding teachers, and a literacy coach. It is hoped that faculty and community leaders will participate as well.

(3) Provide job-embedded professional development, focused on the particular learning needs of each school.

(4) Monitor and report student progress, using an excellent monitoring system from high-performing districts in New York City, that will report quarterly on progress at the student level, the classroom level, the school level, and the district level.

(5) Provide tutoring and advocacy for each of the districts 106,000 children. If a parent cannot be that advocate, someone else will be assigned to help the student become literate. Recruitment of advocates is taking place in non-profit agencies, faith-based communities, university service-learning and volunteer programs, and corporate Milwaukee.

In summary, Chancellor Zimpher indicated that, through the Milwaukee Partnership Academy, leaders of Milwaukee are committed to a shared vision with shared responsibility and authority. This is a powerful intervention, she emphasized, where everyone is responsible and no one is on the sidelines. The strategies are research-based and supported strongly by literature in the field of education. It is a collective vision for the whole community that is very focused, outcome-driven and systemic. In May, there will be a call to action in Milwaukee, she said, asking all community groups to join in this important intervention and launch a massive effort to break open the pipeline for the children of Milwaukee.

In discussion after the presentation, Regent Axtell asked what role there might be for the Board in the Academy's work. Chancellor Zimpher replied that the Board had already played an important role by supporting the Milwaukee Idea's effort to bring the university's teaching, research and service to bear on obdurate urban problems. The initial investment in the Milwaukee Idea included increasing the number of teachers committed to serve in Milwaukee's schools and to expand pre-college programs. In addition, the Board's support of the PK-16 Council gives the Academy an organization at the state level with which to collaborate.

Regent Mohs asked if adequate resources are available for the Academy's work. In response, Chancellor Zimper indicated that UW-Milwaukee is providing as many resources as possible for the effort. Beyond that, the Milwaukee Public Schools are providing one literacy coach per building, even in the face of a \$30 million budget cut. It has been necessary, she noted, to make difficult decisions in order to make this initiative a top priority. In addition, support will be sought from major foundations in Milwaukee, and applications will be made for federal grants and contracts. In that regard, she explained, it is helpful that UW-Milwaukee belongs to a network of urban universities that

is bringing in monies designated to improve urban schools. Even so, there is not enough money to fully fund the initiative, she said, adding that the contributions of all partners will be needed on a priority basis.

Regent Krutsch asked if there were other models nationally that were as comprehensive and focused as this one. Responding that the Milwaukee partnership is quite unique, Chancellor Zimpher added that she has been impressed with a collaboration between the University of Texas in El Paso and the school district that has been successful in improving student achievement. The Carnegie Corporation and the Cleveland and Chicago Foundations have been looking at the Milwaukee model because of their interest in systemic transformation.

Regent Klauser asked if a similar presentation has been made to the Greater Milwaukee Committee, and the Chancellor replied that presentations to the Committee and to the Chamber Executive Board are planned.

Regent Klauser commented that the Partnership Academy is a very exciting idea and that this presentation, along with the previous one on the UW Libraries, show clearly that taxpayers are being very well served.

Regent DeSimone commended Chancellor Zimpher for all she is doing in Milwaukee and noted that mobilizing business and other partners will promote literacy and decrease drop-out rates.

Thanking Chancellor Zimpher for undertaking this enormous task, Regent Gottschalk urged that everything possible be done to expedite the Academy's work. He suggested looking for some things that can be done immediately to jump start the efforts.

Regent Schneiders noted that tutoring in Milwaukee has been ongoing for years, with companies giving employees time off to work one-on-one with students, but that there were doubts about the success of these efforts and that often students did not come to tutoring sessions. She asked what the Academy had learned to make its own work more successful.

In response, Chancellor Zimpher observed that tutors often lack training and connection with a larger goal. She said that training tutors is of key importance, as is monitoring to make sure that students show up and participate. People who volunteer for service will feel more rewarded because they will see the progress report of the student with whom they have been working, as well as reports on the student's class and school. This public accountability, she believed will make a great deal of difference.

It was moved by Regent Klauser and seconded by Regent Mohs that:

Resolution 8525: The Board of Regents commends and supports the work of the Milwaukee Partnership Academy and its goal to

put every child on grade level in reading, writing and mathematics.

Put to the vote, the motion was adopted unanimously.

UW-STOUT BALDRIGE AWARD CRITERIA PRESENTATION

In opening remarks, Regent President Smith pointed out that UW-Stout is the first university to win the Baldrige Award, considered America's highest honor for performance excellence and quality achievement.

Chancellor Sorensen began his presentation with a video clip that showed his receipt of the award, on behalf of UW-Stout, from the President of the United States. In his acceptance remarks, he recognized the quality and dedication of faculty and staff who made this achievement possible.

The Chancellor then spoke about UW-Stout's journey to the Baldrige Award, which was first given in 1987 to promote better competition in the manufacturing sector. Other business was added in the early 1990s and education was added in 1999.

He identified the following core values of the Baldrige – values that mesh well with those of the University of Wisconsin:

- Systems perspective
- Visionary leadership
- Learning-centered education
- Organizational learning
- Valuing employees and partners
- Agility
- Future focus
- Management by fact
- Public responsibility
- Focus on results

These values are integrated into the following categories:

- Leadership
- Strategic planning
- Market, student and stakeholder focus
- Faculty and staff focus
- Information and analysis
- Process management
- Performance results

These categories are organized into two triads:

The leadership triad, consisting of leadership, strategic planning, and customer

focus.

The process triad, consisting of human resources, process management, and business results.

Both of these triads, he explained, rely on a foundation of information and analysis that is the key to the Baldrige and allows demonstrating over time that performance and excellence are being improved.

Turning first to leadership, Chancellor Sorensen noted that a 1996 campus crisis prompted transformation of the leadership system at UW-Stout from a traditional hierarchical model to an inclusive decision-making process in which all internal stakeholder groups have a voice. The organizational unit for this new leadership system is the Chancellor's Advisory Council (CAC). This 19-member group comprises all stakeholder groups on campus – students, faculty, academic staff, clerical staff, and administrators. Noting that every issue goes to the CAC before coming to the Chancellor, he pointed out that this model replaced traditional reliance on departments, colleges, and senates and flattened considerably the university's governance structure. The CAC, he stated, was a fundamental change that transformed the university by enabling campus-wide involvement in strategy development and decision making. A second major change was formation of a budget, planning, and analysis unit that provides the campus with comprehensive information.

Strategic planning was changed to make it more open and democratic, with more participation by students, faculty and staff. This planning is aligned with budgeting. The strategic planning process has six intended outcomes: 1) To facilitate planning and discussion; 2) to encourage participation; 3) to improve the quality of decision and buy-in; 4) to build a trusting climate; 5) to increase understanding of the plan and budget; and 6) to strategically focus on the campus as a whole.

The plan includes five-year goals and shorter-term action plans. Broad-based participatory planning is used to identify, set, and fund campus priorities. Progress at all levels is reviewed. Resources and actions are aligned and assigned to divisions or individuals.

Outlining the method of planning budget priorities, the Chancellor indicated that the CAC first has a summer retreat, usually off-campus to discuss potential priorities. In the fall, there are 10-15 focus group sessions in which every comment is written down and given equal weight. These then are reviewed, categorized and sent back to the CAC for further reflection, after which about six top priorities are selected. The Chancellor takes these back to the campus for further comment, after which the plan, as endorsed by the CAC, is put in place. Every year, about 20% of the campus community takes part in this democratic budget process. There are five feedback loops, and everyone has two or three chances to have their ideas heard.

Examples of budget priorities for the last two years included: branding and marketing of UW-Stout, the digital campus that will be launched in the fall, equality for women,

graduate education, distance education, and applied research. These priorities, he pointed out, did not come from his office, but instead represented campus-wide consensus.

Chancellor Sorensen identified the following four keys to success in creating a quality culture: Communication, teamwork, information and morale. With regard to the first key, he indicated that communication on campus broke down in 1996 because the structure was not flat and relied on a hierarchy that did not work well. Now there are significantly improved means of communication. Most importantly, the Chancellor, Vice Chancellor, Provost, and other administrators meet with governance groups every week for at least two hours. The Chancellor writes an e-mail to the campus every two weeks, with updates on such matters as budget deliberations and Regent meetings, or more personal matters such as books he is reading or hobbies. Web-based information is available to the campus, along with newsletters, open forums and listening posts across campus. Together, he noted, these provide excellent means for broad and open communication.

The second key to success is teamwork. The governance structure is complemented by committees that are cross-functional in nature, and teamwork also is practiced within committees. For example, the CAC evaluates each meeting and members abide by a behavior code of ethics that fosters trust and respect.

Citing information as the third key to success, the Chancellor indicated that information about budgets and how money is spent at UW-Stout is open and accessible to anyone on campus. Ongoing computer training will provide even easier access to information on the Web.

To keep abreast of matters affecting morale, the fourth key to success, a full survey is conducted every three years, with a one-minute survey in alternate years. Teaching workloads, improved communications and gender equity have been addressed as a result of these surveys.

Indicating that UW-Stout's improved quality system rests on a three-legged stool, Chancellor Sorensen explained that the first leg is the academic program review process that has existed for many years. The second is the educational support unit review process, instituted in 1996. The third leg, a "process for process improvement", is promoted by Baldrige evaluations and has had important results for the campus.

One such result is the move toward a digital campus – a move that could not have taken place without open communication, trust and consensus on its priority status. Technology was upgraded to a state-of-the-art network. Through a cost –share program, faculty receive a new lap-top every three years. Instructional Web designers were hired, and Web camps were conducted for faculty.

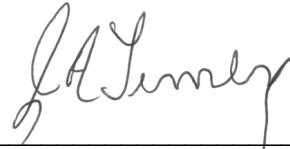
In conclusion, Chancellor Sorensen said that UW-Stout won the Baldrige because it is a campus that focuses on excellence, performance review, shared responsibility, and a climate in which the campus community has bought into the process. Winning the award, he added, was a team effort that required a great deal of dedication on the part of the campus as a whole.

Regent Krutsch asked if the Baldrige criteria were used as a model in the campus changes or whether the redesign came first, after which it was realized that the Baldrige might be a possibility.

In reply, Chancellor Sorensen indicated that educational institutions were not yet eligible for the Baldrige award when the campus began its transformation in 1996. It was a member of the University's foundation board and a Baldrige winner at IBM who suggested that UW-Stout's focus and values were of Baldrige quality.

Regent President Smith congratulated Chancellor Sorensen and UW-Stout on winning this prestigious award.

The meeting was adjourned at 2:00 p.m.



Judith A. Temby, Secretary

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in Room 1820 Van Hise Hall

Friday, April 5, 2002

9:00 a.m.

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MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in Room 1820 Van Hise Hall
Friday, April 5, 2002
9:00 a.m.

- President Smith presiding -

PRESENT: Regents Axtell, Barry, Boyle, Burmaster, DeSimone, Gottschalk, Jones,
Klauser, Krutsch, Marcovich, Mohs, Olivieri, Schneiders and Smith
ABSENT: Regents Brandes, Gracz and Randall

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APPROVAL OF THE MINUTES

The minutes of the March 7 and 8 meetings stood approved as distributed.

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REPORT OF THE PRESIDENT OF THE BOARD

Report on the March 8th Meeting of the Higher Educational Aids Board

The Regents received a written report on the March 8th meeting of the Higher Educational Aids Board.

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Report on the March 22nd Meeting of the Educational Communications Board

The Regents received a written report on the March 22nd meeting of the Educational Communications Board.

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Report of the March 27th Meeting of the Wisconsin Technical College System Board

Regent Barry, President of the WTCS Board, called attention to two items in the written report of the March 27th meeting. First, he referred to state statutes that allow for creation of advanced technology centers without a referendum at the local level, where at least 30% of the capital costs are contributed by local business and industry. The Board had approved construction of a technology center at Gateway Technical College to provide customized training for industry, and a celebratory signing was planned for April 16th, with Governor McCallum in attendance.

Secondly, Regent Barry called attention to a meeting in Madison on April 29th and 30th concerning health care workforce solutions. The purpose is to bring together a partnership of health care industry, labor and education representatives to address serious workforce shortages in these fields. The UW is involved with the WTCS in this project.

Regent President Smith added that there has been discussion of the WTCS joining the UW in sponsoring the next Economic Summit.

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Report of the April 3rd meeting of the Hospital Authority Board

A written report on the April 3rd meeting of the Hospital Authority Board was provided to the Regents.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Report on Status of Fall 2002 Admissions Process

President Lyall reported that, following Executive Committee action in March, UW institutions have resumed regular admissions processes. To date, they had admitted about half of the additional 5,500 FTE students that had been authorized, and the remainder were expected to be admitted within the next week. When the final budget outcome is known, it will be possible to determine whether to go beyond that number.

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Regent Emeritus Clusen Receives Award

It was reported by President Lyall that Regent Emeritus Ruth Clusen, who had served on the Board from 1983 to 1992, was to be inaugurated into the Wisconsin Conservation Hall of Fame on April 20th at Stevens Point's Schmeeckle Reserve. She is being honored for her efforts to blend environmental protection with energy conservation and development. In the Hall of Fame, the President noted, she will be in the distinguished company of Aldo Leopold, John Muir, Fred Schmeeckle, and Gaylord Nelson. Don and Ruth Clusen, who live in Green Bay, were among the founders of the Regents Teaching Excellence Awards and continue to support the UW in many ways.

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UW-Milwaukee Studies Drinking Water

President Lyall reported that UW-Milwaukee hydrologists are helping state and local agencies figure out why water levels are dropping in many area wells and why increasing amounts of radium, arsenic and salinity are appearing in some Wisconsin well water. Seventy percent of the Wisconsin population obtains drinking water from ground water

sources, she noted, adding that the hydrologists' findings will help plan for future population growth and development across the state.

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Athletics Championships

President Lyall congratulated the following UW institutions and teams that captured four NCAA Division III national championships and one NCGA Division III championship: The UW-La Crosse men's cross country team, the UW-Stevens Point women's basketball team, the UW-La Crosse men's indoor track and field team, the UW-Superior men's ice hockey team, and the UW-La Crosse women's NCGA gymnastics team. Stating the UW's pride in all these teams, she noted that their wins are part of an extraordinary history of Division III athletics throughout the UW System.

She also congratulated the UW-Whitewater Warhawk Wheelchair Basketball team and the new Milwaukee Wheelchair Bucks for winning Division I and Division II National Wheelchair Basketball Association championships. The Bucks team is made up of UW-Whitewater alumni along with other players.

Regent Axtell presented the following resolution and moved its adoption by the Board of Regents. The motion was seconded and carried unanimously.

WIAC National Champions and Other Athletics Honors

Resolution 8526: Whereas, in the past decade, UW institutions in the Wisconsin Intercollegiate Athletic Conference have captured 40 NCAA Division III championships and five National Collegiate Gymnastics Association Championships; and

Whereas, over the past six years, all 19 of the national championships that have been won by collegiate institutions (public and private in all NCAA divisions) in the State of Wisconsin have been won by WIAC institutions; and

Whereas, the WIAC is recognized as the premier Division III conference in the nation; and

Whereas, the 2001-2002 academic year has been a banner year for WIAC teams;

Now Therefore, Be It Resolved:

That the University of Wisconsin Board of Regents commends our student-athletes, coaches, staff and

campus leaders at each of the nine WIAC institutions,
and

That the University of Wisconsin Board of Regents particularly recognizes and honors the outstanding accomplishments of the following teams, their coaches and support staff during the past year:

- The Women's Basketball team at UW-Stevens Point for winning the 2002 Division III championship;
- The Men's Ice Hockey team at UW-Superior for winning the 2002 Division III championship and to Yellowjackets Coach Dan Stauber for being named the Division III national hockey coach of the year;
- The Men's Indoor Track and Field team at UW-La Crosse for winning the 2002 Division III championship;
- The Women's Gymnastics team at UW-La Crosse for winning the 2002 NCGA Division III championship; and
- The Men's Cross Country team at UW-La Crosse for winning the 2001 Division III championship.

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UW-Oshkosh's Model UN

President Lyall congratulated the UW-Oshkosh Model UN Team on receiving the number one ranking as "Outstanding Delegation" for the 18th consecutive year at the National Model UN Conference in New York City. She expressed pride in UW-Oshkosh's long distinction in preparing its students for global leadership.

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Helen McPhee Dies

Noting that Helen Matson McPhee had long connections to the university, President Lyall indicated that she was a UW-Madison journalism major, reporter for the *Daily Cardinal*, and wife of Roy Matson, the editor of the *Wisconsin State Journal* for many years. Her second marriage was to Eugene McPhee, the secretary of the Board of Regents of the Wisconsin State University System. Mr. McPhee participated in merging of WSU and UW institutions into the UW System of today.

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REPORT OF THE EDUCATION COMMITTEE

The report of the Education Committee was presented by Regent Pat Boyle, Chair of the Committee.

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Milwaukee Partnership Academy

Commending Chancellor Nancy Zimpher for the leadership she has provided on the Milwaukee Partnership Academy, Regent Boyle remarked that it is because of her efforts that the goals of Plan 2008 will be achieved.

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Quality: Issues Relating to the Future of Academic Libraries

Our academic libraries, Regent Boyle noted, are one of the greatest hidden secrets of the university. The libraries are open to all citizens of the State of Wisconsin. Mr. Ken Frazier, Director of the UW Madison Library System, will provide data on the number of people outside the University System that use the libraries on our campuses.

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Report of the Senior Vice President for Academic Affairs

Cora Marrett, Senior Vice President for Academic Affairs, reported on Orientation Programs and Information Provided to Students on Sexual Assault and Sexual Harassment and the Minority and Disadvantaged Student Annual Report. These reports will be sent to the Legislature and the Governor by Legislative mandate.

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Report on Orientation Programs and Information Provided to Students on Sexual Assault and Sexual Harassment

This very comprehensive report, Regent Boyle remarked, commended the institutions for their proactive stance and proactive efforts. At a later date, the committee will make a recommendation in the biennial budget regarding which reports might be eliminated from the mandated list required by the Legislature.

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Minority and Disadvantaged Student Annual Report

The focus of the committee's discussion on minority and disadvantaged students was on retention, particularly retention of students of color. The question was raised as to how the Board of Regents might enhance not only the importance of retention, but also how the retention rate might be improved with students of color. The relationship between retention and effective advising will be an issue that will be considered at future meetings.

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Program Authorizations: First Reading - Athletic Training Re-titling

Ron Singer, Associate Vice President, pointed out that effective January 1, 2004, athletic trainers must graduate from a university with a program accredited by a Committee on Accreditation of Allied Health Education Programs. The implication for the UW System is a reduction in programs in our institutions. Even though there is much interest in this program there will probably be fewer graduates because of the accreditation requirement.

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B.S. in Athletic Training, UW-Eau Claire

Representatives from UW-Eau Claire gave an excellent presentation on the strong relationship this program has established in the Chippewa Valley, with hospitals, local high schools, and UW-Stout. This major will allow students to be in a better position to secure desirable positions.

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UW-Milwaukee Doctoral Plan

The Committee expressed strong support for the Doctoral Plan. Regent Boyle noted that it was agreed that the System and the institution will decide what action needs to be taken to move ahead with this plan.

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Having been unanimously approved by the Committee, Regent Boyle presented Resolutions 8527-8531 to the Board of Regents as consent agenda items. They were seconded by Regent Mohs and carried unanimously.

Implementing s.36.11(22)(b), Wis. Stats., Relating to Sexual Assault and Sexual Harassment

Resolution 8527: That, upon recommendation of the President of the University of Wisconsin System and pursuant to 1989 Wisconsin Act 177, s.36.11(22)(b), Wis. Stats., the Board of Regents hereby accepts the report on

implementation of the Act (the report on orientation programs and information provided to students on sexual assault and sexual harassment) and directs that the report be submitted to the chief clerk of each house of the legislature for distribution to the appropriate standing committees under s.13.172(3).

Minority and Disadvantaged Student Annual Report

Resolution 8528: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents accepts the 2000-2001 Minority and Disadvantaged Student Annual Report for submission to the governor and to the chief clerk of each house of the legislature, pursuant to s.36.25 (14m) (c), Wisc. Stats., for distribution to the appropriate standing committee under s.13.172 (3) Wisc. Stats.

Requests to Trustees of the William F. Vilas Trust Estate

Resolution 8529: That, upon recommendation of the Chancellors of the University of Wisconsin-Madison and the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approves the request to the Trustees of the William F. Vilas Trust Estate for \$7,304,939 for fiscal year July 1, 2002 to June 30, 2003, subject to availability, as provided by the terms of the William F. Vilas Trust, for Support of Scholarships, Fellowships, Professorships, and Special Programs in Arts and Humanities, Social Sciences, Biological Sciences, Physical Sciences and Music.

UW-Oshkosh: Program Authorization (Implementation) B.A./B.S., Theatre Arts

Resolution 8530: That, upon recommendation of the Chancellor of the University of Wisconsin-Oshkosh and the President of the University of Wisconsin System, the Chancellor be

authorized to implement the re-titling of the Emphasis in Theatre Arts as a B.A./B.S. in Theatre Arts.

UW-River Falls: Program Authorization (Implementation)
B.A./B.S., Theatre Arts

Resolution 8531: That, upon recommendation of the Chancellor of the University of Wisconsin-River Falls and the President of the University of Wisconsin System, the Chancellor be authorized to implement the re-titling of the Emphasis in Theatre Arts as a B.A./B.S. in Theatre Arts.

Discussion

In discussion, Regent Schneiders questioned whether the reports from each of the campuses on sexual assault and sexual harassment programs include statistics on the effectiveness of these programs. Dr. Marrett explained that these reports are a yearly mandate and the input received will allow a further look into what is happening on each campus and under what kinds of circumstances in terms of effectiveness.

Commenting on the program approval process, Regent Krutsch suggested the importance of communicating with Academic Affairs to clarify the criteria used for evaluating academic programs. In response, Regent Boyle added that the committee will look into this at future meetings.

Regarding the Minority Disadvantaged Annual Report, Regent Barry inquired how we serve students of color in pre-college programming; how we quantify whether service is actually resulting in increases in persons of color served by the university system; how we differentiate between targeted and non-targeted persons of color; and what is our goal.

In response, Tess Arenas, Assistant Vice President for Academic Affairs, reported that pre-college students of color participate in academic skill building, motivational, and career exploration. She added that faculty or academic instructional staff advise students. The Office of Multicultural Affairs and the Office of Policy Analysis and Research will be working with the campuses on learning outcomes, strengthening the assessment of the learning experience for students, and finding the best model which can then be replicated. President Lyall added that targeted persons are identified by state law. The goal, she said, is to make the best effort and continuously improve. There is no numeric target.

Regent Mohs added that the goal should be to treat all students equally in admissions without consideration of race. It is a goal, he stated, which needs to be continually inspected with the changes that are occurring in our society.

Chancellor Wiley indicated that he does not believe we will ever be able to stop paying attention to admissions and the complexion of the freshman class or other classes. He continued by stating that race will always be relevant.

Senior Vice President Marrett added that this report is a statutory requirement which includes pre-college participation, recruitment and retention plans. The statute defines the categories to be addressed. The targeted race ethnic categories designed by State Statutes

include: African Americans, American Indians, Hispanic, Latino Americans, and statutorily defined Southeast Asians.

Regent Krutsch suggested that the campuses that are most successful in adopting best practices inform other campuses about those best practices. Dr. Arenas added that this is what is being done during campus visits and on other occasions.

In conclusion, it was suggested by Regent Barry that a future discussion would be helpful to define what constitutes service, and how we are doing school by school in terms of what proportion of the students are being admitted to colleges across the state. He also urged strengthening assessment measures in terms of how our service is improving college admissions. Regent Barry pointed out that most associate degree students at the Milwaukee Area Technical College do not come from the Milwaukee Public Schools. He emphasized that this situation must be improved. Chancellor Zimpher added the importance of rebuilding in the early grades so that students are prepared to enter into a pre-technical or pre-college experience.

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REPORT OF THE PHYSICAL PLANNING AND FUNDING COMMITTEE

Regent Lolita Schneiders, Vice Chair, presented the report of the Physical Planning and Funding Committee.

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Report of the Assistant Vice President

Building Commission Actions

It was reported by Assistant Vice President Nancy Ives that the Building Commission approved about \$10 million for various projects at their February meeting. Of that amount, about \$4.5 million represents various maintenance and repair projects. Some of the classroom technology improvement projects submitted last month were deferred; however, they will be re-submitted for approval in April.

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Discussion of Issues Relating to the Future of Academic Libraries

System Planning Coordinator Jim Albers pointed out that planning for library facilities is a greater challenge with the arrival of electronic media. The challenge, Mr. Albers noted, is to determine what kinds of facilities we will need in the future. Most of the libraries

throughout the System are close to capacity. Regent Barry suggested the Committee receive an analysis of recommended priorities for future library improvements.

Resolutions 8532-8533 were unanimously approved by the Committee. Regent Schneiders moved their adoption by the Board of Regents as consent agenda items. The motion was seconded by Regent DeSimone and carried unanimously.

UW-Madison: Authority to Construct a Memorial Union Elevators Repair/Replacement Project

Resolution 8532: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Memorial Union Elevators Repair/ Replacement project, estimated at a total project cost of \$493,000, using Program Revenue–Cash.

UW-Stevens Point: Acceptance of Gift of Land and Buildings at Treehaven

Resolution 8533: That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, authority be granted: (a) to accept a gift of approximately 12 acres of land, three existing buildings and one new 2-unit cabin from the UW-Stevens Point Foundation at the University owned Treehaven Field Station near Tomahawk, Wisconsin, Lincoln County; and (b) for the officers of the Board of Regents to enter into a land use agreement with the UW-Stevens Point Foundation to permit the Foundation to construct three additional 2-unit cabins at an estimated cost of \$180,000 each, gift funds.

In discussion, Regent Olivieri commended Mr. Ken Frazier, director of the UW-Madison General Library System, for his excellent presentation on Thursday, April 4th, and noted the tremendous progress the libraries have made in terms of collaboration within the System. He added that the next big step is how far we can take collaboration with municipalities, private colleges, the Technical College System and the private sector. Regent Olivier requested a review of what can be done for further collaboration when it comes to the physical development of libraries.

Chancellor Wells noted that the Northeast Wisconsin Education Resource Alliance was established over a year ago and includes UW-Green Bay, UW-Oshkosh, the UW Colleges and the WTCS Colleges in the northeast region. Libraries are charged with reducing costs and improving services.

Regent Mohs suggested that it would be very useful to the public, the taxpayer, and the Legislature if future reports demonstrate how efficiency is achieved with limited resources.

In conclusion, Regent Schneiders emphasized the need to look at many different viewpoints before taking any action regarding the collaboration of libraries and the physical needs of the libraries.

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BUSINESS AND FINANCE COMMITTEE

The Business and Finance Committee report was presented by Regent Guy Gottschalk, Chair.

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Building our Resource Base

Associate Vice President Kathi Sell led a discussion on the First Reading on Building our Resource Base. The committee will review the final recommendations and bring them to the full Board at the May meeting.

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UW-Stout: Using the Baldrige Criteria for Business Operations Improvement

UW-Stout's Vice Chancellor, Diane Moen, presented information about how UW- Stout has used the Baldrige Criteria to improve business operation effectiveness. Two aspects which Ms. Moen focused on are: improving operations management by more effectively assessing market needs and expectations and the desires of students and other stakeholders; and secondly, strengthening fiscal management to ensure effective use of financial resources to meet the institution's market challenges and opportunities.

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Meta-Data and Digital Asset Management

Byron Knight, Director of Broadcasting & Media Innovations, UW-Extension presented a video presentation showing how, with the conversion from analog to digital, broadcast information can be shared using digital asset management. With the aid of federal funding, UW-Extension is at the forefront of this effort to develop standards for data access and storage. This technology brings exciting innovations to the long tradition of public service media bringing information to K-12 schools, institutions, and the public.

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Report of the Vice President

Vice President Debbie Durcan reported on revisions to the UW System figures for the NACUBO Cost of College project. The revised data for Institutional and Community Costs put the UW System average at 6.7 percent rather than the 12.9 percent as reported previously versus the 7.5 percent in the NACUBO study.

Vice President Durcan commented on how the UW System fits into the National Center for Educational Statistics Study of College Costs and Prices. She noted that:

- Relative declining state GPR appropriations explains most of tuition increases over the 10-year period.
- UW System tuition increases have been less than the national average.
- State appropriations as a share of total revenue decreased in the study and were relatively flat for the UW System.
- The UW System has instituted travel restrictions to meet the assembly-proposed plan to cut GPR travel by 83 percent.
- The UW System has suspended system wide conferences that involve system staff only, and has replaced many of these with teleconferencing.

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Resolution 8534 was unanimously approved by the Committee. Regent Gottschalk moved adoption by the Board of Regents as a consent agenda item. The motion was seconded by Regent Axtell and carried unanimously.

University of Wisconsin System Trust Funds Revision of Procedures and Guidelines for Voting Proxies

Resolution 8534: That, upon the recommendation of the Regent Business and Finance Committee, the attached revised University of Wisconsin Trust Funds Procedures and Guidelines for Voting Proxies be adopted.

Regent Axtell pointed out that the Business and Finance Committee had a long discussion on what comprises preventative maintenance and what comprises deferred maintenance. VP Ives reported that the University of Wisconsin System is \$800 million behind in deferred maintenance and in preventive maintenance \$33 million per year below peers in state support for preventive maintenance. Regent Axtell stated, "I don't think we as stewards are fulfilling our responsibility to manage and maintain this University System and this is a point, in my opinion a great alarm...." Advising that this be a high priority, Regent Axtell continued, our resource base needs to be expanded to correct this problem.

Regent Barry suggested a list of priorities for targeted maintenance by each campus be submitted to the Legislature instead of one large dollar figure. Enlisting local support with legislative colleagues to address this problem is of utmost importance.

Regent Gottschalk asked that more detail be provided to the Business and Finance Committee and the Physical Planning and Funding Committee which would be helpful in advancing the most urgent projects.

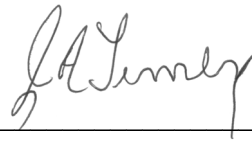
Regent Barry explained that the FACMan process is supported by the Legislature and the Building Commission because it measures maintenance in the same basic way for all state buildings. The chancellors use this system to update their maintenance needs.

Regent Klauser pointed out the importance of understanding the FACMan program and suggested categorizing the types of buildings on the campuses (i.e. dormitories, athletic facilities) to get a better understanding on deferred maintenance so that priorities for building can be selected. It was emphasized that any matters dealing with safety have highest priority and that UW buildings are safe.

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ADJOURNMENT

Upon motion by Regent Axtell, seconded by Regent DeSimone, the meeting was adjourned at 10:50 a.m.



Judith A. Temby, Secretary