

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison

Held in the 1820 Van Hise Hall

Thursday, December 5, 2002

11:00 a.m.

- Vice President Marcovich presiding -

PRESENT: Regents Axtell, Barry, Boyle, Brandes, Burmaster, Gracz, Jones, Klauser, Krutsch, Marcovich, Mohs, Olivieri, Randall, Schneider and Smith.  
Regent Gottschalk joined the meeting at 12:00 p.m.

ABSENT: Regent DeSimone

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**STUDENT SUCCESS: RETENTION, GRADUATION RATES, AND CREDITS-TO-DEGREE**

Introducing the first agenda items, Regent Vice President Marcovich indicated that development of an excess credits policy is in response to Governor McCallum's veto of the provision in the budget repair bill that would have required all students accumulating more than 165 credits to pay the full cost of instruction. In his veto message, the Governor instructed the Board to report back by December 15<sup>th</sup> on how to ensure that students progress toward their degree in a manner than minimizes the cost to the state without adversely affecting their ability to complete degrees at resident rates.

The agenda item on Student Success: Retention, Graduation Rates and Credits-to-Degree responded to the Board's request for a report on institutional progress toward reaching targets in these areas and plans for improving retention and graduation rates.

Associate Vice President Frank Goldberg began the presentation by noting that the system goal of decreasing credits-to-degree from 145 to 140 was achieved in 1998-99, two years ahead of schedule. After that, credits-to-degree continued to decline to a

2001-02 average of 136. Nine institutions surpassed their goals; three achieved them; and one (UW-Whitewater) has not yet reached its goal, although only four other comprehensive institutions have lower average credits.

Turning to student retention, Dr. Goldberg indicated that UW institutions have increased their second year retention rates for every entering class since 1994 and are progressing on schedule to achieve the target of an 82% second year retention rate for students entering in fall 2004. Five institutions have exceeded their retention targets; three have achieved them; and four have experienced mixed results.

UW institutions also are progressing ahead of schedule to achieve the goal of 64% six-year graduation rate for the entering class of fall 2004. The 60.5% six-year graduation rate for the cohort that entered in 1995 and graduated by 2001, and the 61.9% graduation rate for the 1996 cohort represent all-time highs. System-wide, graduation rates continue to exceed the rates for public universities nationally.

The number of bachelors degrees awarded in 2001-02 (21,304) is at an all-time high, in part reflecting the growing enrollments of the late 1990s and in part reflecting higher graduation rates. UW institutions are on track to provide 1,000 additional graduates for the Wisconsin economy from every entering class.

Dr. Goldberg remarked that campuses are engaged in an impressive array of activities designed to increase student success. These efforts fall into four general categories: Advising and career planning; early contact and orientation; the freshman year experience; and intrusive interventions. In all areas, resources are focused on activities that have the greatest impact on student success.

Advising activities include: 1) Integration of academic and career counseling; 2) use of technology to supplement advising; 3) tailoring advising to the needs of specific groups, such as undeclared students and students in residence halls; 4) peer advising/mentoring; and 5) increased support for faculty advising.

In the second category, efforts include: 1) Expansion of orientation programs; 2) linking orientation to advising; 3) integrating advice about college expectations into recruiting; 4) expanding orientation for parents; 5) establishing early contacts with faculty; and 6) programs to integrate students into the social and academic life of the campus.

In that 60% of attrition comes between the freshman and sophomore years, campuses are focusing substantial effort in engaging students during their freshman year. Activities include: 1) Expansion of freshman seminars; 2) freshman year courses for professional programs; 3) residence hall programs, such as interest groups and learning communities; 4) increased attention to freshman instruction; and 5) freshman mentoring.

In the fourth category, intervention efforts include: 1) Programs for students at risk, such as tutoring, advising and mentoring; 2) reaching out to students in transition; 3) monitoring academic progress of freshmen; 4) developmental discipline; and 5) reaching out to student sin financial difficulty.

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### **Excess Credits Policy**

In introductory remarks, Dr. Goldberg noted that current Board policy focuses on average credits and allows the various UW institutions to develop strategies designed to change the behavior of some students, while allowing others, whose behavior is appropriate, to continue to accumulate credits. This approach has decreased average credits-to-degree and caused the number of students taking more than 165 credits to decline by more than one-third, from 3,300 in 1993-94, to 1,900 in 2001-02.

The alternative approach of imposing a surcharge on students who accumulate more than 165 credits was included in the budget repair bill and would have impacted all students in that category had it not been vetoed by the Governor who also requested that the Board report on the matter by December 15<sup>th</sup>. In response to that request and legislative concerns about students who accumulate large numbers of credits, a three-part policy was developed for the Board's consideration.

First, campuses would be required to review degree requirements for all programs that require more than 130 credits and reduce them where possible. Second, each institution would develop a process to identify and counsel students who are progressing in a manner that would result in accumulating excess credits. Third, starting in 2004, all students with more than 165 credits (or 30 credits more than required for their degree) would be assessed a surcharge equal to 100% of regular resident tuition.

In discussion following the presentation, Regent Barry asked if consideration had been given to a sliding scale in which an increased charge would start to be levied after degree requirements were fulfilled, rather than an abrupt 100% levy at the 165 credit level.

Dr. Goldberg explained that the working group looked at many alternatives, along with the cost of administering them. This was one factor, he noted, that led to recommending the proposed policy.

While he recognized the need to address the issue, Regent Boyle expressed concern about its complexity. For example, he pointed out that it was not known how many of the 1,900 students with more than 165 credits had legitimate reasons for reaching that level and how many might be filling seats in advanced seminars that did not deny space to freshmen students. He felt the institutions should be given a great deal of flexibility in making decisions about whether or not the surcharge should be levied against any individual student, so that those with good reasons for taking that many credits are not punished for doing so.

Regent Schneiders referred to charts showing which institutions had or had not achieved their goals and asked if there were any similarities among those that had been more successful.

In response, Dr. Goldberg indicated that there were no similarities found across campuses and that some had set more aggressive goals than others. For smaller campuses, he added, a small change in numbers can disproportionately affect retention and graduation rates. In that regard, he thought it most important to focus on long-term progress toward the goal.

Regent Burmaster inquired about the impact of students entering with advanced placement credits. She expressed agreement with Regent Boyle's support for campus flexibility in making decisions about when to apply the surcharge.

Replying that such programs are a major factor in reducing credits to degree, Dr. Goldberg indicated that at UW-Madison a significant number of students graduate with less than 120 credits earned on campus because of the number of credits they received in high school. While advanced placement drives down the average credits-to-degree, he added, it may not directly affect those with 165 plus credits.

Regent Klauser asked if advanced placement credits would be counted in reaching the 165 credit level, thus penalizing students for taking them.

Dr. Goldberg replied that credits taken prior to college entrance would not be counted and that students with advanced placement credits would be benefited by the proposed policy.

Regent Klauser commented that he saw the issue as a financial one, relating to allocation of limited taxpayer dollars and how much support should go to any given student. Without an excess credits policy, he added, students who take fewer credits are being penalized, since support available to them is reduced by the amount devoted to those who take excess credits. Students could still take extra courses, he noted, but they would do so with less taxpayer subsidy. On the other hand, he did not want to see students penalized while diligently pursuing double majors or other programs with high credit requirements.

Regent Mohs asked if there is a way in the admissions process to select an incoming class that would require fewer resources, have better retention and graduation rates and consume fewer credits.

In response, Dr. Goldberg noted that selective private colleges achieve this result by admitting only highly motivated and well prepared students. The UW, with one of the highest access rates in the country, admits a broad range of students, some of whom are less focused and less well prepared, requiring more resources to take them to graduation. If high access is a goal, he added, this may well be an appropriate use of resources.

Regent Mohs remarked that there is a balance to be struck between making resources go as far as possible and providing service to taxpayers, who expect the UW to educate their children.

Expressing her support for the proposed surcharge, Regent Krutsch commented that the knowledge that there would be a higher cost after taking a certain number of credits would be enough to change student behavior and cause them to focus earlier on choosing a major. She also supported the proposal as an appropriate way to balance resources so as to provide quality education to as many students as possible. Noting that some students may put off taking certain difficult required courses, she asked if students must complete requirements before taking additional electives.

Dr. Goldberg replied that campuses have such policies, some of which were instituted and tightened in efforts to reduce credits to degree. He expected that campuses

would use these policies, along with other interventions, to prevent students from reaching the credit level that would trigger a surcharge.

Adding that there should be renewed efforts to have full-time students view their college education as a four-year experience, Regent Krutsch pointed out that this would increase student focus, lower debt and increase affordability.

Regent Jones commented that there should be a strong focus on interventions such as intrusive advising and career counseling to keep students from reaching the credit surcharge level. He also felt chancellors should have the flexibility to make decisions about when to apply the surcharge on an individual basis, with the goal of having students graduate and contribute to the state and nation.

Regent Axtell pointed out that the language of the resolution allowed no exceptions to the credit limit. He felt there should be discretion to avoid penalizing students who might wish to take more than one major to increase their marketability or students who might have accumulated too many credits because of receiving poor advice.

President Lyall suggested that the third part of the resolution could be modified to provide that an implementation panel will define the scope of exceptions that can be made. The type of exceptions allowed would apply system-wide, but individual cases would be judged at the campus level.

Regent Olivieri complimented Dr. Goldberg on the clarity and helpfulness of the information provided. Stating his agreement with the policy recommendation, he cautioned that exceptions should be carefully defined and limited so that they do not become so common that the rule is rendered meaningless. He concurred with President Lyall that the standards should be system-wide but applied to individual cases by the campuses.

With regard to the first part of the resolution, he agreed that institutions should review programs requiring over 130 credits and commented that the goal of 140 credits to degree should be reduced to the current average of 136 or less so that the new standard could be used in accountability reporting to measure future progress.

Turning to the matter of retention/graduation, Regent Olivieri expressed concern that no proposal had been presented to modify current goals, both system-wide and by campus, to set more aggressive targets and then act to increase the focus on this area.

Noting that the issue is one of resource use, Regent Barry felt it might be more fruitful to focus on degree requirements and make reductions wherever possible. In that regard, he pointed out that some program credit requirements have grown, sometimes through the mandates of accreditation bodies. He also thought that advanced placement entry should be encouraged as much as possible in order to reduce costs and suggested that access might be obtained to a greater degree through the Technical Colleges, which would help the UW to continue to meet its goals.

He felt action on the surcharge might best be deferred until 2004, after a full report on how it would be implemented and assurance that it could be administered fairly. Therefore, he suggested strengthening point number one of the resolution and asking for a report in time for 2004 implementation.

Regent Schneiders asked about the accumulation of credits due to students having to take more courses because of credits that did not transfer from one institution to another, particularly toward a major.

Dr. Goldberg replied that many of those type of problems had been solved in recent years. Assistant Vice President Larry Rubin concurred, adding that transfer issues in the area of general education are more easily resolved than issues in the areas of individual majors.

While he agreed that “professional students” should be subject to a surcharge, Regent Boyle cautioned that the cost of administering the policy may be higher than any savings. He supported the policy but strongly urged that decisions on individual student exemptions be made at the campus level.

Stating his support for the policy, Regent Randall added that aggressive interventions, such as intrusive advising, should be emphasized. He observed that the contribution of UW graduates to the state ultimately will more than compensate for the resources used in their education.

Regent Smith remarked that there should be a limit to taxpayer obligation to fund an individual’s education and that the proposed limits had been well-researched and seemed reasonable. He suggested that the policy incorporate a vehicle for exceptions, in order to ensure fairness to all students.

Regent Marcovich asked if the 1,900 students with more than 165 credits were all resident students. In reply, Dr. Goldberg indicated that probably is the case, although it is not known with certainty.

Pointing out that this is less than two percent of the student population, Regent Marcovich agreed that there should be an ending point to public subsidy of college students but also noted the priority the Board has placed on providing student access. Indicating that many students enter without knowing what their major will be, he cautioned against forcing them to commit to a major before they are ready in order to avoid financial penalty. He agreed with Regent Boyle’s concern that the cost of administering the program might prevent savings from being realized and indicated a need for more information about what classes students with excess credits take and whether those classes are over or underutilized.

Expressing support for points one and two for the resolution, Regent Marcovich suggested modification to point three to allow campuses to grant exemptions in individual cases.

Regent Axtell agreed that the third point of the resolution should be changed to allow some flexibility. He suggested delaying action to re-examine how it might be modified and to consult with the chancellors on the question of making exemptions.

In order to bring the proposed resolution to the floor, it was moved by Regent Klauser and seconded by Regent Mohs. Regent Axtell moved to withdraw the third point from the resolution for further study and report back to the Board, and the motion was seconded by Regent Randall. Regent Barry suggested adding language to the first point

to provide that program credit requirements will be reviewed and reductions made where appropriate.

Regent Smith indicated that he was comfortable with the goal set forth in the resolution and that any requests for exceptions by campuses could be brought back to the Board.

Regent Olivieri suggested retaining the third point with language added to allow for exceptions pursuant to system guidelines. The campuses then would apply those guidelines to individual cases.

President Lyall indicated that, if the policy were to be implemented in 2004, the basis for exceptions should be identified early in 2003 so that students would have adequate time to prepare.

Regent Mohs was concerned that a belief by legislators that this policy would yield substantial sums of money would prove to be unfounded. In that regard, he pointed out that more money would need to be spent on advising and guidance to keep students from reaching the credit limit. He thought additional time was needed to obtain data on costs and to consider what would be allowed as exceptions.

Regent Barry moved to amend the proposed amendment to substitute the following wording, suggested by President Lyall, for the original wording in point three. The motion was seconded and adopted on a voice vote, with Regent Mohs voting in opposition.

Referring to point one, Regent Krutsch asked if the existing language gave the chancellors a strong enough tool to move forward with review of credit requirements and reduction where appropriate, to which President Lyall replied in the affirmative.

Put to the vote, the following resolution was adopted by the Board.

### **Excess Credits Policy**

Resolution 8625: That, upon the recommendation of the President of the UW System, the Board of Regents instructs the President and the Chancellors to take the following actions:

1. Institutions will review the requirements for all programs that currently require more than 130 credits.
2. Each institution will develop a process to identify and counsel students who are accumulating credits in a manner that could result in their amassing more than 165 credits (or 30 credits more than required by their degree

programs, whichever is greater) by the time they fulfill all of the degree requirements.

3. Starting in the fall of 2004, all resident undergraduate students who have accumulated 165 credits (or 30 credits more than required by their degree programs, whichever is greater) will be charged a surcharge, equal to 100 percent of the regular resident tuition, on credits beyond that level. Furthermore, implementation rules should provide flexibility for UW institutions to provide exceptions where appropriate to ensure that students are able to complete their degree requirements.

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## **REGENT PRESIDENT GOTTSCHALK PRESIDING**

### **Introduction of Senator Jon Erpenbach and Representative Dean Kufert**

Regent President Gottschalk introduced Senator Jon Erpenbach, of Middleton, the newly elected Senate Democratic Leader. Senator Erpenbach, who was beginning his second term in the Senate, had attended UW-Oshkosh and is known for his work in support of education and personal privacy. He was accompanied by his chief aide, Nancy Bills.

Beginning his remarks, Senator Erpenbach indicated first that he would like to complete his college degree if convenient classes were offered on weekends, at night and on line. Second, he spoke about the importance of easy credit transfer between WTCS and UW institutions, particularly given the critical shortage of health care workers.

In closing, he indicated that the Senate Democrats wish to provide the university with as much funding as possible because of the great contributions made by the UW to the State through production of talented graduates for the work force and other means of boosting the economy.

Regent President Gottschalk introduced Representative Dean Kaufert, of Neenah, newly appointed Co-Chair of the Joint Finance Committee. As a small businessman, Regent Gottschalk observed, Representative Kaufert knows how to balance budgets and has served as Vice Chair of the Joint Finance Committee since 1997. In the past session, he strongly supported graduation of more engineering students in the Fox Valley through the UW-Platteville and UW-Fox Valley engineering initiative that was part of the

Economic Stimulus Package. Representative Kaufert was accompanied by legal assistant Cale Battles.

Noting that it is the beginning of a new era in the State Legislature, Representative Kaufert said that the people of the state expect Democrats and Republicans to work together to deal with the difficult decisions that will need to be made in view of the budget deficit. In that regard, he noted that 76% of the budget is devoted to five areas of spending and that exempting any of those areas from cuts makes the job tougher.

He was looking forward to working in partnership with the UW to further the success of the state and continuing to make it a great place to live and work, so that graduates would stay in Wisconsin to work and people would want to remain here after retirement.

In conclusion, he expressed pride in the UW-Fox Valley as the fastest growing small college in the state and noted that his daughter is a student at UW-Green Bay.

Regent President Gottschalk then introduced Aaron Olver, who was handling education issues as a member of Governor-elect Doyle's transition team. Mr. Olver holds BA degrees in economics from UW-Madison and Oxford University where he was a Rhodes Scholar.

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## **UW-MADISON CAMP RANDALL EXPANSION AND RENOVATION**

Regent Vice President Marcovich presided over this segment of the meeting. Regent President Gottschalk did not participate in the discussion or vote on this agenda item.

In opening remarks, Chancellor Wiley noted that a year ago the Camp Randall project had a price tag of \$100 million, one component of which was a \$10 million utility upgrade in the neighborhood of Camp Randall which had been done, leaving a cost of \$90 million. With a projected revenue increase of \$4.5 million, the Athletic Department could afford about \$1.6 million a year for bond payments, which would cover a debt of \$73 million. That left a projected estimate of \$17 million needed from gifts.

Referring to the impact of the September 11<sup>th</sup> terrorist attacks, he pointed out that security costs for the department increased greatly for all athletic events and travel for fundraising was severely curtailed. In addition, the state removed \$700,000 from the department, the only GPR in the athletic budget.

For those reasons, the project was delayed and the scope reevaluated. It was decided to eliminate some additional seating planned for the north end of the stadium because it would be so expensive to build that expected revenues from the seating would not cover its cost.

Another change involved plans for suites and club seating. In initial marketing it was found that only 40% of the suites, but all of the club seats, were sold. Therefore, a decision was made to reduce the number of suites and add more premium club seating. Currently, 70% of the suites and 100% of the club seats have been sold.

A six million gift was received from the Kellner family, along with other gifts that will provide additional comfort in proceeding with the project.

With the changes that were made, the \$100 million project had been reduced to \$83.7 million; then \$73.7 million after subtracting the utility project; and \$67.7 million after subtracting \$6 million in gifts.

With revenue from the 3,000 club seats and suites, additional gifts, operational savings and possible increased ticket prices that currently are the lowest in the Big Ten, the Chancellor felt confident that the project could go forward in a financially sound manner.

Al Fish, Assistant Vice Chancellor for Campus Planning, displayed a model of the project showing the additions and changes that would be made. It showed that most of the construction would be on the east side of the stadium and over the south end zone. Technology and office space would be upgraded; lighting would be improved and congestion alleviated; there would be more concession stands and restrooms; and wheel chair accessibility would be greatly improved.

The project includes a new office building in the southeast corner between the field house and the stadium. Three levels of suites and club seats would be added to the east side of the stadium. The main increase in seating would be in the south end zone where 7,000 seats would be added. The lower five rows of seating, all of which have obstructed views, would be removed. More portals would be added on the east, north and west sides, so that people no longer would have to walk around the track to reach an exit.

The exterior of the stadium would be changed from an amalgam of materials built up over the years to a more unified look that will improve the appearance of the stadium and present a more aesthetically pleasing view. The materials will be pre-cast concrete of a buff color to harmonize with the front of the shell and the field house, and arches like those in the field house will be replicated in other areas. Parking for TV trucks will be provided in a loading dock area west of the field house, which will alleviate the circulation problems caused by having them park on Breese Terrace.

The primary revenues for this renovation will come from suites and club seats. The price for a club seat in the end zone is \$2000 per year, including tickets, video replay, windows that do not open but have unobstructed views, and restaurant and beverage service. Premium club seats, costing \$5000 per year, are located on the 50 yard line, have more space, have windows that open, and also include parking, food and beverage services. There will be 72 suites for \$49,000 per year, including 20 tickets, parking passes and food and beverages. Suites have windows that open and are air conditioned and heated. A key element in marketing is that about \$40,000 of that price is tax deductible.

As to the building schedule, Mr. Fish indicated that construction would begin on the east side this spring and continue through the 2003 football season. At the end of the season, the south end zone would be demolished and rebuilt so that the suites and club seats in that area would be open by the fall of 2004. The west side concourse, office building and other renovations would be finished by the fall of 2005.

In response to a question by Regent Axtell, Mr. Fish indicated that a video replay board will be located on top of the office or in the north end zone. The flatness of the screen should make it visible to almost all fans. There also will be upgraded lighting and a distributed sound system.

Regent Mohs commented that amplified music played during breaks is not appreciated by all fans, and Regent Smith indicated that one purpose is to soften noise in the end zones. Mr. Fish indicated that there is ongoing discussion about how to find the best balance between those who like the music and those who do not and how to use music in building an exciting home team environment in the stadium.

In response to a question by Regent Smith, Mr. Fish confirmed that the only state dollars in the project were for the utility work completed earlier. There will be no GPR dollars in the upcoming phases of the project.

Athletic Director Pat Richer added that the project will provide significant improvements in circulation and convenience through wider concourses and more restrooms and concession venues.

Regent Smith recalled that this project has been studied for a long time and that the Board has been kept informed of the planning for a number of years. Noting that several years ago the Board emphasized that funding would need to be substantially in place before the project could go forward, Regent Smith expressed satisfaction that the Athletic Department had done an excellent job of ensuring that will be the case.

Adoption of Resolution 8626 was moved by Regent Smith, seconded by Regent Klauser and carried, with Regent Gottschalk abstaining from the vote.

**Approval of the Design Report and Authority to Construct the Camp Randall Stadium Renovation and Expansion**

Resolution 8626: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the next phases of the Camp Randall Stadium Renovation and Expansion project, at an estimated cost of \$72,500,000 (\$63,775,000 Program Revenue Supported Borrowing, \$6,000,000 Gifts, and \$2,725,000 General Fund Supported Borrowing), for a current total project cost of \$83,700,000 (\$67,400,000 Program Revenue Supported

Borrowing, \$6,000,000 Gift Funds, and \$10,300,000 General Fund Supported Borrowing).

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## **UPDATE ON ENROLLMENT TRENDS, BUDGET CUT IMPACTS, AND WAYS THAT OTHER PUBLIC UNIVERSITIES ARE COPING WITH STATE BUDGET REDUCTIONS**

Regent President Gottschalk noted that the State Department of Administration recently reported that Wisconsin's budget deficit will likely reach \$2.6 billion and that Governor-elect Doyle predicted that the deficit could be as high as \$4.3 billion. No matter what the figure turns out to be, he emphasized that the UW must be prepared to make tough choices and offer innovative solutions. As context, he reported that Minnesota is facing a \$4.56 billion shortfall, the deficit in Illinois could reach \$2.5 billion, and a \$400 million deficit is expected in Iowa, where the Board of Regents recently raised tuition by 19.1% to offset budget cuts.

While trying to solve the fiscal crisis, he urged state lawmakers to also make targeted investments that can help the state's economy recover quickly. In that regard, he noted that the UW is a proven economic engine for the state and must be an important part of the solution to Wisconsin's fiscal problems.

Even so, he continued, it is necessary to prepare for tough times ahead. At the November meeting, the Board responded to the Department of Administration's 95% exercise by noting that a cut of five percent to the UW System budget could mean losses of almost \$50 million, nearly 1,000 faculty and staff, and reduced enrollments of almost 8,000 students. President Lyall was asked to report at this meeting how admissions are proceeding for next fall, what choices campuses made to handle the \$44 million cut and how public universities in other states are managing cuts.

President Lyall began her remarks by noting the complexity of coordinating a System of 15 institutions in this fiscal environment to balance access, resources and quality, while keeping the commitment to enhance the long-term economic future of the state. In doing this, it is necessary to:

- 1) Manage human resources to retain and grow the best faculty and staff to educate students. Without this human talent, a UW education would rapidly lose value.
  
- 2) Manage rapidly growing application pressures in an environment of uncertainty about the budget base, while struggling with timing because the education calendar does not match the state budget calendar. In that regard

the President indicated that campuses must make admission decisions now for next fall and hire faculty to teach those students. These commitments to students and faculty could not be cancelled quickly in response to a budget cut.

- 3) Focus on student success by improving retention and graduation rates.
- 4) Maintain flexibility to respond to additional base budget cuts that may be required as part of the state deficit reduction.

The President noted that the obvious steps already have been taken – hiring and travel freezes, supply and expense cuts, maintenance postponed, ad hoc instructional staff substituted for retiring faculty – and that the next round of cuts will require significant choices affecting the scale and scope of future services.

Turning to the admissions process, she indicated that applications for the fall of 2003 are running 24% ahead of last year (about 8,500 more applications). Applications are up at every UW institution, and 22,000 students (about 42% of the next freshman class) have been admitted. Campuses have been instructed not to exceed their target overall enrollment level adjusted for retention improvements and to notify the President when they have reached 95% of this level. The bullseye funding formula will not reward enrollment above the current levels, although it will reward increases resulting from improved retention rates

Credits to degree will continue to be managed to stretch state dollars as far as possible, she said, and campuses will manage new hires against retirements/vacancies to maintain a margin of flexibility in personnel. The faculty hiring season will be largely over by April-May, and final staffing will determine enrollment capacity for the coming year.

President Lyall then introduced a panel of campus leaders to discuss challenges in managing the \$44 million cut and options that they may face if there are significant future cuts: Chancellor Tom George, UW-Stevens Point; Chancellor Kevin Reilly, UW-Extension; Provost Keith Miller, UW-Oshkosh; Dean Jim Perry, UW-Fox Valley, and Dean Phil Certain, UW-Madison.

Dean Certain, of the UW-Madison College of Letters and Sciences, began the presentation by thanking the Regents for their strong advocacy on behalf of the UW campuses and students. As background, he explained that the College of Letters and Sciences is UW-Madison's largest academic unit and constitutes around one half of the university. It is composed of 39 departments, five professional schools and about 60 interdisciplinary research and teaching programs.

The college is central to undergraduate education, serving as the entry point for most freshman students and offering 90% of all freshman/sophomore credit hours. This

semester, 17,500 of 28,700 undergraduates are enrolled in the college. Around half of all bachelor's and PhD degrees, and 40% of all masters degrees are earned in Letters and Science.

This means, the Dean pointed out, that it is not possible to make a significant cut in the college's budget without having an impact on undergraduate education. With less than two percent of the budget devoted to administration, there is little capacity to protect academic programs.

The 2001-02 budget cut forced elimination of 23 faculty positions by ending searches for new or replacement hires. While this saved \$1.4 million in salary, there were costs as well. First, there was a negative impact on efforts to offer more small classes that would increase student/faculty contact and build success during the freshman and sophomore year. Funding for "First Year Interest Groups" learning communities also was greatly reduced.

Second, the loss of faculty affects the college's research base. While research has well-recognized value for generating patents and spin-off companies, he observed, it also brings large amounts of federal dollars back to Wisconsin – a priority of all gubernatorial candidates in the last election. Letters and Science faculty contribute significantly to that effort, bringing in competitive federal grant awards totaling around \$100 million each year in 2000-01 and 2001-02. These grants, he indicated, create jobs that build the state's economy by keeping highly educated professionals in the state. In addition, research grants create student jobs that provide hands-on training and help students meet educational expenses.

Dean Certain explained that for each state dollar spent on faculty salaries, the college brings in \$2.50 in competitive grants and gifts. Applying that rate of return to the college's \$1.4 million cut produces an annual \$3.5 million loss of income to the university and the state.

He then identified areas that the college would attempt to protect in the face of future cuts, noting however that there is little room left to cut without long-term damage to the college, its students, and its contributions to the people of the state.

First, the college would work to preserve strength in departments that are major sources of competitive external awards, as contributors to the state's economic recovery. These departments, he explained, also support significant portions of core undergraduate education.

Second, a priority will be given to departments that offer the following type of courses: 1) Those taken by a significant number of first-year students; 2) those needed by seniors in order to graduate on time; and 3) those that are essential prerequisites for large numbers of majors in Letters and Science and the professional schools. In addition, first-year interest groups will be supported, but at a lower level.

Expressing concern about the impact of potential cuts in the next biennium, Dean Certain predicted that large additional reductions would mean inability to ensure smooth registration periods, reduced class size, the full array of course offerings, or limited access to the most popular majors.

The next panelist was Dean Jim Perry, of UW-Fox Valley, who began by reporting that the UW Colleges are experiencing unprecedented student demand, with applications to UW-Fox Valley running 165% of last year and 190% of last year to the UW Colleges as a whole.

Since 90% of the budget pays for faculty and staff, he explained, that this is the area where the cuts are being felt. Many tenure-track positions are going unfilled, resulting in heavy reliance on instructional academic staff. The impact is felt particularly in the non-classroom work of the professoriate – advising, campus service and governance, and service to the external community. Percentages of instructional academic staff range from 19% to 55% at the UW Colleges, the average being 37%. This year the colleges canceled plans to add 12 positions to support enrollment increases and changed one-third of faculty replacements to instructional academic staff.

Funding for the UW-Platteville/UW-Fox Valley collaborative engineering program was reduced as a result of budget cuts resulting in fewer classes being available. UW-Whitewater and UW-Waukesha were not able to collaborate on a teacher licensure program designed to increase the supply of teachers in the Milwaukee area, and UW-Washington County was prevented from moving forward on a collaborative engineering degree with UW-Milwaukee.

Noting that enrollment of adult students is increasing, Dean Perry indicated that most of those students take evening courses. Due to budget reductions, plans to add staff for evening hours in business offices, reception areas and student services could not go forward. It also has not been possible to hire maintenance workers to take care of additions on campuses that have been funded by local partners and by gifts. There also was difficulty with meeting instructional technology needs and replacing obsolete equipment.

Turning to the impact of future cuts, Dean Perry predicted that another significant budget reduction would terminate searches for 31 new faculty across the colleges and would cause terminations of instructional academic staff, resulting in fewer classes being taught at a time of unprecedented demand.

UW-Oshkosh Provost Keith Miller, began his remarks by referring to comments by Senator Erpenbach about the need for more evening, weekend and on-line classes. This, he noted was one of the areas UW-Oshkosh had to cut as result of budget reductions in the past year.

In terms of process, the university had dealt with last year's reduction by having each unit present three budgets: One detailing current needs, a second showing what would be lost with a two percent reduction, and a third showing results of a four percent reduction. Impacts of the reductions included curtailment of travel, cutting supply and expense budgets and slowed replacement of custodial staff.

The greatest impact, Provost Miller commented, was caused by not having enough courses and faculty to meet student need, particularly in professional programs. For example, only 154 out of 250 qualified applicants for the College of Nursing could be accepted, and the College of Education could take only 300 out of 400 qualified applicants. The nursing situation was particularly disheartening, he indicated, in view of the fact that area hospitals had to recruit nursing students from India in order to meet needs for patient care. Further budget cuts, he added, will only make these types of situations worse.

Chancellor Tom George, of UW-Stevens Point, began his remarks by noting that recent budget cuts took about a million dollars out of the university's base budget core functions, reducing the number of class sections that could be offered, as well as cutting back on programs that were designed to stimulate economic development. Support services also were being reduced significantly, including career services, protective services, and information technology support.

With regard to private support, the Chancellor noted that stock market declines have resulted in a 15%-25% reduction for the UW-Stevens Point Foundation. This in turn has diminished the ability to offer freshman scholarships and prevented the injection of private funds into areas from which state funds were withdrawn.

With regard to future cuts, Chancellor George recalled that the university absorbed a significant budget reduction in the mid-1990s causing elimination of a number of majors. Another round of cuts, he predicted, would result in more majors being eliminated; fewer replacements of education faculty, making it more difficult for teachers to be certified; reductions in course availability, including high demand courses; reductions in the university's premier dance program; curtailment of summer programs; and reductions and delays in implementation of collaborative degree programs with UW Colleges and WTC campuses.

He pointed out that it also will be necessary to reduce enrollments, resulting in fewer student fees that pay for many important items, including classroom renovations. There might also be cuts in library hours and in the university's strong environmental education program.

In addition, he indicated that cuts made by UW-Extension will curtail the ability of extension faculty on the Stevens Point campus to generate program revenue dollars.

In terms of community impact, he indicated that fewer students will mean fewer dollars in the local economy, fewer faculty will mean a smaller local tax base, and cultural benefits of the university to the community also will be curtailed.

The final panelist was Chancellor Kevin Reilly, of UW-Extension, whose remarks emphasized that cuts to the university budget have impacts far beyond the campuses.

He referred first to Cooperative Extension, with faculty and staff in each county who work to improve agricultural production, strengthen families, develop local economies, guide youth and protect natural resources. Noting that counties pay 40% of their salaries, he indicated that, were counties to withdraw support because of budget

cuts, the university would be left with a \$4.7 million shortfall, not counting cuts to the university budget itself, that would have to come from other programs or by closing down 40% of educational programming in the counties. This, he pointed out, is an example of UW-Extension being in a “double whammy” cut position, with reduction both in the university budget and through the budgets of its many partners.

As a second example, he noted that the GPR support for the Small Business Development Centers contributes to the one-to-one match for the \$1.5 million received from the federal Small Business Administration. Each one dollar cut in GPR could result in a loss of one dollar in federal funding. A five percent cut could decrease counseling hours available to clients statewide by 833 and could prevent 600 individuals per year from attending training programs on how to start and expand small businesses. This type of budget reduction, he noted, would result in cutting new jobs out of the state’s economy, particularly since most new job growth comes from small businesses.

As a third example of a compounded cut, Chancellor Reilly explained that, when budgets are reduced throughout the university, continuing education units on each campus typically take a cut through both the campus budget and through the Extension budget. These programs then are faced with a choice between cutting offerings that contribute to professional development and career mobility in their region or raising fees for those offerings. Either option, he indicated, diminishes opportunities for Wisconsin residents to improve their economic position and slows the state’s pace toward economic recovery.

As another example, the Chancellor referred to reduction in funding for the Wisconsin Public Television Production Unit in Green Bay as illustrative of how painful and disruptive such cuts can be.

In discussion following the panel presentations, Regent Axtell asked Dean Perry if the increase in applications included any shift in the proportion of traditional and nontraditional students.

Dean Perry replied that numbers of nontraditional students were increasing as a result, in part, of collaborative programs with four-year institutions. While it was too early to know the demographics of the pool of applicants for the fall, he indicated that more students are hedging their bets by applying to more than one campus.

In response to a further question by Regent Axtell, the Dean said there were 80 students involved in the Madison Connection program, through which students begin their education at a UW College and then transfer as juniors to UW-Madison. The program also is being expanded to Madison Area Technical College.

Replying to a question by Regent Krutsch, President Lyall indicated that multiple applications by a single student are being tracked and that some of the increase in applications could be attributed to students applying earlier than in past years. She added that increased applications are common across the nation, partly as a function of current economic times and partly because of growing recognition of the importance of postsecondary education to future incomes and career paths.

Regent Krutsch commented that the Board of Regents has an important role in determining what type of programs that should have priority for preservation when implementing budget cuts.

President Lyall indicated that Senior Vice President Marrett and the provosts are discussing management of cuts in a system-wide fashion. She added that campus experts should implement the reductions within the level of overall system coordination.

Regent Barry pointed out that program requirements can be driven up by pressure from outside professional groups and asked what recourse there might be from such actions. President Lyall responded that this is a matter of ongoing interest to the Education Committee and that Regent Krutsch in particular has been involved in working with higher education associations on coordinating positions in that regard. Choices might include deciding not to offer programs or asking the professions to pay for escalating requirements.

Regent Mohs observed that the people of Wisconsin have the expectation that their children will be able to receive an education at a UW campus if they are qualified. If more large budget cuts were to occur, he pointed out, qualified students may be unable to enter the campus of their choice. Noting that the panel discussion indicated that cuts already are undermining educational quality, he felt the next step would have to be reductions in faculty and staff, with commensurate reductions in enrollment. This is something, he emphasized, that the public and the Legislature will need to recognize.

Noting that there has been a two decade-long trend of decreasing state funding, Regent Smith commented that, unless that trend were to be reversed, it will be necessary to address two issues, the first being the question of increasing tuition. In that regard, he did not support the UW being at the bottom of the Big Ten in tuition costs, particularly since its educational product is substantially better than many others. Secondly, he felt it might be necessary to consider privatizing elements of the university. Such issues, he remarked, must be addressed in order to preserve the UW's educational quality

Regent Schneiders questioned whether a state the size of Wisconsin could afford such a large university system with so many high-quality programs. She said it would be helpful to hear discussion of what campuses might no longer offer and in which areas they might choose to specialize.

Regent Axtell suggested that the Board ask for information on what would be involved in privatizing professional schools.

Regent Marcovich felt that to privatize any part of the university would undermine the UW's responsibility to operate a public institution for the public benefit and would offer a rationale for continued underfunding. Instead, he urged continuing efforts to convince state leaders that the university is worth greater investment and support.

Regent Klauser pointed out that, although the trend in percentage of state support is down, total dollars invested in the university by the state continues to increase. Instead of privatizing, he suggested considering charter status and more flexibility. While times

are difficult, he did not see a need for radical change and felt sure of the state's continued commitment to the university. Although it might be necessary to terminate some programs, he did not think it necessary for the university to lose quality.

In response to a question by Regent Krutsch, President Lyall indicated that state support for the university is declining in terms of support per \$1,000 of income as well as in terms of the budget share going to higher education, although the trend line is up in terms of absolute dollars. The basic point, she said, is that the state's priorities have been shifting steadily away from higher education and toward other areas, despite polls that show broad and deep support for public higher education among the state's populace.

Expressing the hope for careful public policy debate with regard to future budget cuts, she stated that there needs to be recognition of the long-term implications for the state of such reductions, along with recognition that additional cuts will entail choices among programs that are valuable to students and the state.

Regent Krutsch remarked that only one UW institution is a Big Ten university and that the others are in different comparison groups for tuition purposes, which may suggest looking at more differential tuitions among UW institutions.

Regent Barry stated his agreement with Regent Smith on the matter of tuition, observing that current low rates amount to a substantial subsidy for the middle and upper middle classes. He therefore supported increasing tuition to meet some of the needs left unfilled by the declining trend in state support. Citing the UW's responsibility to continue to provide student access, he suggested further incentives for advanced placement courses in high schools and broader and deeper partnerships with other educational institutions. In that regard, he explained that the WTC System has been somewhat sheltered from the effects of declining state support by rising equalized property values that have led to increased local support. Therefore, the Technical Colleges are in good position to partner with the UW in maintaining student access.

Noting that Engage Wisconsin materials are on the UW's Web site, Regent Jones observed that this is an opportunity for people to learn about what the university is trying to do and for the Regents to talk about it with new leaders and partners. It also is important, he stated, to bring students and parents into the conversation and make them aware of educational implications and costs of decisions that may be forthcoming.

With reference to the shortage of space in UW-Oshkosh's nursing program, Chancellor Wells noted that the university originally had 140 seats for 250 candidates, which was increased to 154 by reallocation from closing down another program. Some students, he added, stay at the university and take other courses while waiting to reapply for admission, which increases their credits to degree.

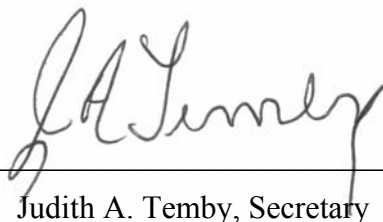
Chancellor Mash suggested that the opportunity to work with new leaders be employed to change the parameters of the conversation and to focus on what Wisconsin needs and wants from its system of public higher education and the implications of low funding and low tuition with regard to those needs.

Chancellor Zimpher commented that educational access for students directly affects the ability of the state to improve its economy by putting more people to work and

getting them out of poverty. She suggested that access be looked at differentially, recognizing that UW-Milwaukee, UW-Parkside, and the UW Colleges serve more diverse and less wealthy students, who often make application decisions later in the process than many other students.

In conclusion, President Lyall referred to a table showing what some other states have done in similar budgetary circumstances. Almost all have used some combination of tuition increases and programmatic reductions and reallocations. Actions taken in some other states, but not in Wisconsin, include: Requiring faculty and staff to pay a portion of their health care costs; an early retirement program; and cohort tuition increases.

Upon motion by Regent Axtell, seconded by Regent Randall, the meeting was adjourned at 2:55 p.m.



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Judith A. Temby, Secretary

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison
Held in the 1820 Van Hise Hall
Friday, December 6, 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

UW-Madison  
Held in the 1820 Van Hise Hall

Friday, December 6, 2002  
9:00 a.m.

- President Gottschalk presiding -

PRESENT: Regents Axtell, Barry, Boyle, Brandes, Burmaster, Gottschalk, Gracz,  
Jones, Klauser, Krutsch, Marcovich, Mohs, Randall, Schneider and Smith

ABSENT: Regents DeSimone and Olivieri

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### **APPROVAL OF THE MINUTES**

The minutes of the November 7<sup>th</sup> and 8<sup>th</sup> meetings stood approved as distributed.

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### **REPORT OF THE PRESIDENT OF THE BOARD**

#### **Report on the November 20<sup>th</sup> Meeting of the Wisconsin Technical College System Board**

The Board received a written report on the November 20<sup>th</sup> meeting of the Wisconsin Technical College System Board.

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#### **Report on the December 4<sup>th</sup> Meeting of the Hospital Authority Board**

A written report on the December 4<sup>th</sup> meeting of the Hospital Authority Board was provided to the Regents.

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#### **Citizens for Higher Education**

Regent President Gottschalk recalled that, when the UW faced a difficult budgetary challenge four years ago, a group of Regents formed and funded an

organization called Friends of the University, which was helpful in the budget process. Noting that another group now has formed to support and advocate for public higher education, he stated that the UW will need the support of all those in the state who care about access and quality in meeting the difficult budget challenges that lie ahead.

To discuss this new organization, Citizens for Higher Education, Regent Gottschalk introduced Harry Peterson, a long-time administrator at UW-Madison and emeritus president of Western State College in Gunnison, Colorado, and Richard Carpenter, President of the WTC System.

In opening remarks, Mr. Peterson noted that public opinion polls show strong and consistent public support for public higher education. In Wisconsin, commitment to education has long been a hallmark of the state. Ways in which this support is demonstrated include impressive private financial contributions and the strong support of local governments for Technical College and UW College facilities.

In view of budget difficulties last spring, the founders of the new organization, Citizens for Higher Education, felt that a continuing advocacy effort is important. The group's mission is to promote enrichment of the Wisconsin economic, social and cultural environment by ensuring the maintenance and enhancement of a strong system of public higher education, accomplished through an effective public information and education program and through advocacy.

The organization is seeking 1,000 people from across Wisconsin to make annual membership contribution of \$100 each that will provide a base budget for the group to function on a continuing basis. The organization will have an executive director and activities will include newsletters to members, forums throughout the state, polling, and press releases on the contributions of higher education.

Observing that public higher education in Wisconsin historically has had bi-partisan support, Mr. Peterson explained that the Board of Directors for the organization also is bi-partisan and from around the state. In addition to Mr. Peterson, members are: Former Regent President Tom Lyon, Jill Pelisek, President of the UW-Milwaukee Foundation, Brian Rude, former Republican State Senator from Coon Valley, and David Helbach, former Democratic State Senator from Stevens Point. Former Governors Tony Earl and Lee Dreyfus signed a letter of support, and a mailing was sent to 1,700 people around the state, seeking their membership in the organization.

Mr. Peterson expressed the board's appreciation to Regent Mohs for donating office space at 20 North Carroll St., next to the Capitol

The CHE's efforts, he emphasized, are not intended to replace current activities taking place in the UW and WTCS; rather, they are intended to augment what already is being done.

In closing, he thanked President Lyall, the UW Chancellors, and President Carpenter for their support.

Dr. Carpenter began his remarks by thanking the Chancellors for their invitations to visit UW campuses in search of opportunities for greater collaboration. Yet another

way of partnering, he noted, is through the CHE's campaign for greater public awareness of what the UW and WTCS are doing and are willing to do to rebuild the state's economy.

President Lyall observed that the CHE provides another means of linking arms and maximizing educational opportunities for the state's students. Step by step, she indicated, joint efforts are creating a seamless higher education system.

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## **REPORT OF THE PRESIDENT OF THE SYSTEM**

### **Income Distribution of UW Freshmen**

President Lyall referred to a document provided to the Regents on this subject, noting that the UW serves every income quintile, except the lowest, at or above its proportional share. It is those students from families with incomes of \$30,750 or less who are not proportionally represented among UW freshmen, she indicated, suggesting the need for further examination of this group and efforts to reach them.

Other data show that students from the lowest income families receive their financial aid primarily in the form of need-based grants, loans and work-study, while students from families with incomes above \$65,000 rely primarily on non-need-based forms of aid.

She then referred to a chart showing that income distribution of UW students varies significantly by institution. Over half of UW-Madison freshmen come from families with incomes above \$65,000, and a third come from families with incomes over \$92,000. At the UW Colleges, less than 30% are from families with incomes over \$65,000. At other UW institutions, 58% come from medium or lower income families and 42% come from families with incomes over \$65,000.

This information, she observed, indicates the following:

- 1) UW institutions are doing a remarkable job of serving students from across the income spectrum, except for the lowest quintile.
- 2) Financial aid, and the form of that aid, is essential to maintaining broad access to the UW. Last year, the Legislature linked the WHEG grant to tuition – a major gain for low-income students. This year, federal grant and loan programs will be re-examined as part of the Higher Education Reauthorization Bill. In that regard, she noted the importance of working with the Congressional Delegation to ensure that those programs grow with the needs of the student population.

- 3) Income distribution information will be helpful in working with elected leaders to balance access to and affordability of the university for the future.

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### **Good News**

#### ***Congratulations to United Council***

President Lyall congratulated Jeff Pertl, President of United Council of UW Students, for the group's successful get-out-the-vote campaign which registered 12,000 students that fall. Students, she added, also were active as volunteers in many campaigns in both parties, showing that every person who cares to can have an impact on the democratic process. She thanked United Council for leading the way.

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#### ***Study Abroad Opportunities***

President Lyall reported that three UW institutions rank among the top twenty in the nation in the number of students participating in study-abroad programs. UW-Madison is among the top 20 research institutions, with 1,250 students studying abroad, while UW-Eau Claire and UW-Stevens Point are in the top 20 masters' institutions with 345 and 310 students, respectively, in study-abroad programs. Last year, a total of 3,200 UW students had this kind of valuable experience.

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#### ***Business Student Award Winner***

President Lyall congratulated a UW-Madison team of three business students, who beat five international teams to win a \$20,000 prize in global business plan competition at Singapore University. A member of the team, Brad Krutsch, is the son of Regent Phyllis Krutsch.

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#### ***UW-Milwaukee's IMS Center Grant***

It was reported by President Lyall that UW-Milwaukee's Center for Intelligent Maintenance Systems has received a \$250,000 grant for collaborative programs with universities in China, Japan, Korea, and Australia to enhance intelligent manufacturing technologies worldwide. Noting that the grant was awarded by the National Science Foundation's East Asia Program, she added that the Center, jointly operated by UW-Milwaukee and the University of Michigan-Ann Arbor, conducts research in web-based technologies with e-factory applications.

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***Wisconsin Public Television Wins Midwest Emmys***

President Lyall reported that Wisconsin Public Television received two Midwest Emmys for outstanding achievement in children's programming, with a program called "Cultural Horizons of Wisconsin: Beyond Borders" and for the audio track of a program called "When Wisconsin Was New France". These awards, she added, continue a long list of honors received by public television and radio in Wisconsin.

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***Regent Boyle Honored Among Founders of Local Government Center***

President Lyall congratulated Regent Patrick Boyle who was honored at the 10<sup>th</sup> anniversary celebration of UW Extension's Local Government Center. In addition to Regent Boyle, who was one of the Center's founders, the event recognized and thanked the League of Wisconsin Municipalities, the Wisconsin Counties Association, and the Wisconsin Towns Association.

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***2002 Carnegie Teacher of the Year***

It was announced by President Lyall that UW-Eau Claire Nursing Professor CeCelia Zorn has been named the 2002 Wisconsin Carnegie Foundation Teaching Professor of the Year. The foundation recognizes one Teacher of the Year in each state, selected from more than 420 nominations. Professor Zorn is the fourth UW-Eau Claire faculty member to receive this honor.

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***Grant for Training Hmong Teachers***

President Lyall reported that UW-Stevens Point and UW-La Crosse have developed a joint program called Project Forward, designed to increase the number of Hmong teachers in Wisconsin. The project has received a grant of \$185,000 from the U.S. Department of Education to serve 26 students enrolled in the program, four of whom graduated in May. Under the program, students take courses at UW-Stevens Point, UW-Oshkosh, UW-Marshfield, or UW-Marathon County and each also takes a minor in English as a Second Language.

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***Distance Learning Helps Access to AP Courses***

Noting that the PK-16 Council is promoting efforts to create more seamless educational opportunities across Wisconsin, President Lyall indicated that one means of accomplishing that is to encourage promising high school students to take advanced placement courses which prepare them for the transition to college and afford them more curricular choices when they get there. Nearly three-fourth's of this year's freshman class at UW-Madison entered with advanced placement credits, but about one-fourth of state high schools cannot afford to offer those courses.

Therefore, she continued, UW-Madison's Center on Education and Work, with federal and UW System financial support, organized a consortium that will use existing K-12 teleconference facilities to offer advanced placement courses in 12 subjects across the state beginning next fall, especially targeted to rural and low income school districts. It is hoped that this program will become a national model of smoothing the transition and expanding educational opportunity for students.

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**REPORT OF THE EDUCATION COMMITTEE**

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

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**Report of the Senior Vice President**

***Wisconsin Advanced Placement Distance Learning Consortium***

Senior Vice President of Academic Affairs, Cora Marrett, reported on the Advanced Placement Distance Learning Consortium. This unique opportunity and development provides high school students in all school districts access to advanced courses.

In discussion, Regent Barry pointed out that a large proportion of K-12 schools do not have video teleconferencing capability. He added that cost efficiency is an important consideration.

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***2003-2004 Sabbaticals Report***

Dr. Marrett reported on the Sabbatical Report for 2003-04. Regent Boyle noted the importance of sabbatical programs and how they augment the capacity of faculty

members to provide quality education. There is a direct relationship, Regent Boyle continued, between topics faculty pursue and their responsibilities as a faculty member.

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### ***Annual Program Planning and Review Report***

Vice President Ron Singer and Academic Planner Fran Garb presented a report on annual program planning and review activities of the System and the institutions. Regent Boyle noted that the institutions go through a vigorous process in terms of having new programs approved. Statistics indicate that the UW System offers 1,000 major degree programs and new programs which are approved are offset by those which are eliminated.

In terms of accreditation, Regent Boyle added, there currently are 234 UW System programs eligible for accreditation. In the past 3 years, 101 accreditation reviews have been completed, including institutional accreditations. There are 45 accreditation reviews scheduled for 2002-03.

Regent Boyle pointed out that the value of accreditation in terms of time and cost is a complex issue, due to state and federal laws and requirements of other associations and agencies.

In discussion, Regent Krutsch suggested that an alternative strategy is to have Boards of some of the country's most prestigious universities take a position on accreditation. Regent Randall agreed that this strategy should be pursued, and suggested that other Big Ten universities be encouraged to re-examine their accreditation process.

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### ***Authorization to Reorganize the School of Education, UW-Stout***

Chancellor Sorensen provided the committee with an overview of the rationale for providing one central reporting point for the planning and future direction of the School of Education. Regent Boyle emphasized that the faculty will continue to be very involved in students' education.

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Regent Boyle presented the following resolutions to the Board of Regents as consent agenda items. The motion was seconded by Regent Mohs and passed unanimously.

### **UW-Milwaukee: Program Authorization (Implementation) M.S., Health Care Informatics**

Resolution 8627: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Chancellor be authorized to implement the M.S. in Health Care Informatics.

**UW-Stout: Reorganize a School of Education**

Resolution 8628: That, upon recommendation of the Chancellor of the University of Wisconsin-Stout and the President of the University of Wisconsin System, the Chancellor be authorized to reorganize existing degree programs into a School of Education.

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**REPORT OF THE PHYSICAL PLANNING AND FUNDING COMMITTEE**

Regent Gregory Gracz, Chair, presented the report of the Physical Planning and Funding Committee.

**Auxiliary Operations**

***Facilities Management and Financial Management***

The Physical Planning and Funding Committee met jointly with the Business and Finance Committee to discuss Financial Management and Facilities Planning for Auxiliary Operations.

Tom Bittner, UW System Planning & Systems Specialist, reported that similar maintenance issues and trends affect both GPR and PR facilities due to construction chronologies. It is evident, he continued, that as the physical plant continues to age, funding demands to maintain the existing facilities will continue to increase. In addition, student needs have changed since most of these facilities were built.

Facilities planning for future major projects will focus on two main themes: (1) renovation and maintenance; and (2) replacement of some facilities that are no longer useful for programmatic purposes and have high maintenance needs to the extent that renovation is not economically viable. These are most evident in areas of housing, food service, and student union facilities.

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**Report of the Assistant Vice President**

Nancy Ives, Assistant Vice President, reported that the Building Commission approved about \$11M for various projects at their November meeting. Bids for three major projects have significantly exceeded their original budgets: a new residence hall at UW-River Falls, UW-Madison’s Chamberlin Hall and the new dairy facility at UW-River Falls.

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**UW-Oshkosh: Campus Development Plan Update**

Chancellor Wells updated the Committee on the UW-Oshkosh Campus Development Plan. He reported that collaborations are being developed with the City of Oshkosh, other System institutions, local businesses, and the UW-Oshkosh Foundation and alumni to help address the needs of the institution, the System, and the community. As the campus has a significant shortage of building space, and minimal land available for expansion, lease arrangements for facilities and land will be developed until funding becomes available for their acquisition.

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Generations of the Kellner Family have been loyal supporters of UW-Madison and have provided many generous gifts, including \$6 million for the Camp Randall project. They have also provided funding for the Kohl Center, the Fluno Center, Grainger Hall, School of Business programs and a variety of other University endeavors. In recognition of the Kellner Family’s commitment to UW-Madison, and on behalf of the Physical Planning and Funding Committee, Regent Gracz moved adoption of Resolution 8629.

**Authority to Name Camp Randall Office Complex "Kellner Hall"**

Resolution 8629:           That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to name the future Administrative Office Complex at the Camp Randall Stadium “Kellner Hall.”

The following resolutions were presented to the Board of Regents as consent agenda items. Seconded by Regent Schneiders, the motion was passed unanimously.

**UW Colleges: Authority to Grant a Temporary Construction Easement at UW-Fox Valley**

Resolution 8630: That, upon the recommendation of the UW Colleges Chancellor and the President of the University of Wisconsin System, the officers of the Board of Regents be authorized to permit Winnebago County to grant a temporary construction easement on the site of UW-Fox Valley to allow for construction of space by UW-Fox Valley Foundation Inc. for the UW-Platteville collaborative engineering program.

**UW-Madison: Approval of the Design Report and Authority to Construct a Memorial Union Lakefront Cafeteria Renovation Project**

Resolution 8631: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct a Memorial Union Lakefront Cafeteria Renovation project, at an estimated total project cost of \$2,497,400, using Program Revenue-Cash.

**UW-Madison: Authority to Construct a Medical Science Center Generic Research Lab Renovation Project**

Resolution 8632: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Medical Science Center Generic Research Lab Renovation project, at an estimated total project cost of \$380,000, using Gift Funds (Medical School).

**UW-Madison: Authority to Construct a Biotron Building Second Floor Renovation Project**

Resolution 8633: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Biotron Building Second Floor Renovation project at an estimated total project cost of \$646,800 Institutional Funds.

**UW-Oshkosh: Authority to Accept a Gift of Land**

Resolution 8634: That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, authority be granted to accept a gift

of two parcels of land totaling 12.3 acres located at Sunset Point on the north shore of Lake Buttes des Mortes, City of Oshkosh, Winnebago County from the University of Wisconsin Oshkosh Foundation.

**UW-Oshkosh: Authority to Execute an Easement**

Resolution 8635: That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, authority be granted for the officers of the Board of Regents to execute a 2-1/2 by 107-foot easement for purposes of a driveway for property at 819 John Street, City of Oshkosh, Winnebago County, Wisconsin.

**UW-Stevens Point: Authority to Construct an Allen Center Renovation/Remodeling Project**

Resolution 8636: That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, authority be granted to construct an Allen Center Renovation/Remodeling project at an estimated total cost of \$543,200 (\$517,700 Program Revenue Supported Borrowing and \$25,500 Program Revenue - Cash).

**UW-Madison: Authority to Increase the Budget of the Chamberlin Hall Renovation Project**

Resolution 8637: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the Chamberlin Hall Renovation project by \$1,444,100 (\$944,000 GFSB to be transferred from unused balances in various projects in the UW System Classroom Renovation /Instructional Technology Improvements program and \$500,100 Institutional Non-GPR funds) for a total revised budget of \$22,394,100 (\$21,739,000 GFSB, \$155,000 Gift funds, \$500,100 Institutional, Non-GPR Funds).

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## **REPORT OF THE BUSINESS AND FINANCE COMMITTEE**

The Business and Finance Committee was presented by Regent James Klauser, Chair.

### **Auxiliary Operations**

The Business and Finance Committee met in the joint session with the Physical Planning and Funding Committee for a discussion on Auxiliary Operations. The Associate Vice President of Financial Administration, Doug Hendrix, gave an overview of the UW System policy for financial management of Auxiliaries (i.e. housing, food service, and parking operations).

The policy covers guidelines for pricing and cash management, policies pertaining to loans and transfers among operations and management expectations.

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### **Vice President's Report**

#### ***Impact of Nonresident Tuition Increase***

Debbie Durcan, Vice President, reported on the impact of nonresident tuition increases. Frank Goldberg, Associate Vice President, Office of Policy Analysis and Research, noted that it is too early to know whether the increase in non-resident tuition has directly led to a reduction in non-resident enrollment, although there is a reduction of the number of non-resident students on all campuses. If this trend continues, it would have a significant impact on the amount of subsidy that non-resident tuition provides.

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#### ***Quarterly Investment Review***

Doug Hoerr, Assistant Trust Officer, presented the UW System Trust Funds quarterly Investment Review for September 30, 2002.

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On behalf of the Business and Finance Committee, Regent Klauser moved adoption by the Board of Regents of the following resolutions as consent agenda items. The motion was seconded by Regent Krutsch and passed unanimously.

### **UW-Oshkosh: Undergraduate Differential Tuition**

Resolution 8638:           That, upon the recommendation of the President of the University of Wisconsin System and the students and

Chancellor of the University of Wisconsin-Oshkosh, the Board of Regents approves the differential tuition rates for undergraduate students at UW-Oshkosh beginning in the fall semester of 2003-04.

**2003-05 General Compensation Distribution Plan and Guidelines**

Resolution 8639: That upon the recommendation of the President of the University of Wisconsin System, the 2003-05 General Compensation Distribution Plan and Guidelines (Exhibit A) be approved. If changes are required as a result of actions by either the Joint Committee on Employment Relations or legislation, the Executive Committee, in consultation with the System President is authorized to act on these changes.

**University of Wisconsin System Trust Funds Principal Long-Term Fund: Recommendations on Asset Allocation, Spending Plan and Investment Guidelines**

Resolution 8640: That, upon recommendation of the Regent Business and Finance Committee, the Board of Regents adopts the following:

- 1) U.S. High Yield, Emerging Market Equities, and Hedge/Absolute Return Funds as approved asset classes;
- 2) Revision of the Statement of Investment Objectives and Guidelines to accommodate the addition of these approved asset classes as follows:

Under the section "Investment Guidelines & Restrictions" and "Approved Asset Classes," add:

- *U.S. High Yield* (under "Fixed Income-Oriented Vehicles"),
- *Emerging Market Equities* (under "Equity-Oriented Vehicles"),
- *Hedge/Absolute Return Funds* (under new "Alternatives" category); and

- 3) Reduction of the small fraction spending plan rate from 5.0 percent to 4.5 percent.

**2001-02 UW System Report on State Imposed Costs Added to Resident Undergraduate Tuition**

Resolution 8641: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the 2001-02 Report on State Imposed Costs Added to Resident Undergraduate Tuition for submission to the Secretary of the Department of Administration.

**2001-02 UW System Report on Continuing Appropriation Authority**

Resolution 8642: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the 2001-02 Continuing Appropriation Report for submission to the Legislature.

**UW-Madison: LTE Conversion Pilot**

Resolution 8643: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the final quarterly report on the UW-Madison LTE Conversion Pilot.

**UW-River Falls: Contract Extension with Chartwells**

Resolution 8644: That, upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-River Falls, the Board of Regents approves an extension of the contract with Chartwells to provide dining Services at the University of Wisconsin-River Falls.

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**ADDITIONAL RESOLUTIONS**

Regent President Gottschalk noted that the Board's calendar provides for cancellation of the January 2003 meetings, circumstances permitting. Upon motion by Regent Gracz, seconded by Regent Jones, the following resolution was adopted unanimously.

**Cancellation of January 2003 meetings**

Resolution 8645: That the Board of Regents meetings scheduled for January 9 and 10, 2003 be cancelled.

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## UNFINISHED AND ADDITIONAL BUSINESS

### Supreme Court Case

Noting that the U.S. Supreme Court had agreed to take up challenges to University of Michigan's admission decisions involving consideration of race, Regent Randall asked that the Board be provided with information on how the UW might participate in supporting the University of Michigan in its case, should the Board choose to do so.

Regent Klauser indicated that, if the Board were to consider this matter, he would wish to know how Michigan's program compares to the UW's.

Regent President Gottschalk indicated that he and President Lyall will ask General Counsel Brady to look into the matter and advise the Board.

Regent Krutsch pointed out that the matter before the court is complex and cautioned against taking a stand without a thorough understanding of all the issues involved.

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The meeting was recessed at 10:05 a.m. and reconvened at 10:25 a.m., at which time the following resolution, moved by Regent Marcovich and seconded by Regent Krutsch was adopted unanimously on a roll-call vote, with Regents Axtell, Boyle, Brandes, Burmaster, Gottschalk, Gracz, Jones, Klauser, Krutsch, Marcovich, Mohs, Randall, Schneiders, and Smith (14) voting in the affirmative. There were no negative votes and no abstentions.

Resolution 8646: That, the Board of Regents recess into Closed Session, to consider an Honorary Degree nomination at UW-Stout, as permitted by s.19.85(1)(f), *Wis. Stats.*, to confer with Legal Counsel, as permitted by s.19.85(1)(g), *Wis. Stats.*, and to consider a leave of absence at UW-Madison, and to consider personnel matters, as permitted by s.19.85(1)(c), *Wis. Stats.*

The Board arose from closed session at 11:10 a.m., having adopted the following resolutions:

### UW-Stout: Honorary Degree

Resolution 8647: That, upon the recommendation of the Chancellor of the University of Wisconsin-Stout and the President of the University of Wisconsin System, approval be

granted for UW-Stout to confer the following honorary degree, subject to acceptance by the nominee.

John W. Pearson: Doctor of Science

**UW-Madison: Leave of Absence**

Resolution 8648: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the two-year extension of Professor Richard Monette's leave of absence, through Semester I, 2004-2005.

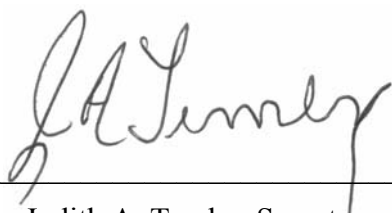
The following resolution was adopted on November 8, 2002, but not announced at that time pending acceptance by the nominee.

**UW-Oshkosh: Honorary Degree**

Resolution 8649: That, upon the recommendation of the Chancellor of the University of Wisconsin-Oshkosh and the President of the University of Wisconsin System, approval be granted for UW-Oshkosh to award the following degree:

Michael David Wachtel: Doctor of Humane Letters

The meeting was adjourned at 11:10 a.m.



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Judith A. Temby, Secretary