

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Milwaukee, Wisconsin

UW-Milwaukee
Held in the Wisconsin Room
Thursday, June 10, 2004
10:25 a.m.

- President Marcovich presiding -

PRESENT: Regents Amato, Axtell, Bradley, Burmaster, Connolly-Keesler, Davis, Gottschalk, Marcovich, Mohs, Olivieri, Pruitt, Randall, Richlen, Rosenzweig, Salas and Walsh

ABSENT: Regent Gracz

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INTRODUCTON OF NEW REGENTS

Regent President Marcovich thanked Governor Doyle for extending his term for another year. Noting that issues before the board in the coming year include selection of a new UW System President, biennial budget deliberations, and implementation of recommendations contained in the report of Charting a New Course for the UW System, he expressed appreciation for the opportunity to remain involved in those important matters.

He then reported the Governor's appointment of Milton McPike to succeed Fred Mohs. Mr. McPike is the retired principal of Madison East High School, a post he held for 23 years. Under his leadership, East was designated a National High School of Excellence. During his distinguished career, Mr. McPike received many honors, including State Principal of the Year in 1997. He also is a former professional football player.

Regent President Marcovich introduced Michael Falbo, who was appointed by the Governor to succeed Gerard Randall. A graduate of UW-Parkside, Mr. Falbo is President and CEO of State Financial Service Corporation. He serves on a number of area boards of directors, including the YMCA, the Milwaukee Repertory Theater, and the UW-Parkside Benevolent Foundation. He also served as president of the Foundation and was a major sponsor of the UW System's 30th anniversary celebration.

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2005-07 BIENNIAL OPERATING BUDGET

Introducing the presentation, President Lyall noted that the board would be asked to take action on the 2005-07 biennial budget request at its August meeting. At this meeting, the board's guidance was sought to guide budget development over the summer.

She then referred to the Governor's biennial budget instructions and major priorities that had been issued the preceding week. These instructions identified five priorities for 2005-07: Education, children, health care, economic development and increasing federal funds. They note specifically that: "Access for higher education for all Wisconsin citizens will also be a top priority for the Governor."

President Lyall presented a chart showing the rapid shift over the past decade of sources of support away from GPR and towards tuition and other funds, including gifts, grants and contracts. This trend accelerated in the current biennium so that GPR has fallen from 33% to 25% of total resources. In a few more years, she remarked, it is likely that tuition will exceed GPR as the major source of support for the core mission of teaching and learning.

A second chart summarized how the university's revenues are derived and from where future GPR cuts would have to come. At the close of 2003-04, unrestricted GPR funding was \$818 million and would drop below \$800 million in 2004-05. The chart showed how this funding was allocated for instruction, infrastructure, research and public service, and financial aid. The impact of future cuts would need to be measured against the \$800 million, not against the \$3.67 billion total budget, because GPR cuts could not come from gifts, grants or program revenues.

A third chart showed that enrollments have increased despite the loss of nearly 700 faculty over the past decade. If there is no reinvestment in higher education opportunities for students in 2005-07, the President said, it will be necessary to rebalance access with resources to ensure greater stability and success for those students who are enrolled – in terms of the quality of their education and enhanced graduation rates.

She then turned to the Governor's 2005-07 budget instructions that tell agencies to do the following:

- Assume zero growth in overall GPR appropriations in each fiscal year except for required cost-to-continue needs and standard budget adjustments, fuel and utilities, and debt service.
- Limit funding requests for other types of appropriations to available non-GPR revenues and prioritized needs.
- Limit new funding requests to achieve significant policy and operational changes.
- Prepare plans to absorb a ten percent permanent cut in administrative activities supported on all funds, excluding federal funds.
- Anticipate, but not submit, a plan for a ten percent reduction in authorized positions, without layoffs, against the administrative base.
- Anticipate that any savings accomplished through enterprise-wide administrative savings will be incorporated into the Governor's budget and will not be available to help with additional reductions.
- Update and report on performance measures previously submitted in the 2003-05 budget.

She then called on Associate Vice President Freda Harris to discuss how biennial budget items being considered might fit within the Governor's budget.

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Financial Aid

Ms. Harris began by noting that a major focus of the Charting a New Course study has been on access, especially for the lowest income students. Access for students in the lowest income quintile has decreased from 14.7% in 1992 to 11.2% in 2002-03. The request to replace one-time financial aid dollars with GPR and to hold the lowest-income families harmless from future tuition increases responds to the goal that access to higher education for all Wisconsin citizens will be a top priority for the Governor.

The first part of the financial aid request provides permanent GPR funding for the financial aid increases covered through one-time auxiliary resources in 2003-05. This funding would be requested as a cost to continue initiative and fits clearly within the Governor's guidelines. A request would need to be forwarded by both the UW and the Higher Educational Aids Board. It also requests GPR funding for financial aid to match the percentage increases in tuition during the next biennium. This is a statutory requirement and also can be requested as a cost to continue initiative.

The second part of the request provides a “hold harmless” increase in financial aid equal to the dollar increase in tuition for the lowest and possibly the second lowest income quintile students. While this initiative cannot be considered as a cost to continue, it responds to ensuring the access the Governor seeks and should be eligible for submission as part of the budget.

These financial aid initiatives, she noted, are critical to the UW’s ability to maintain diversity within the student body because families of color are disproportionately represented in the lower income quintiles.

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Student Success for Economic Development

Noting that the Charting a New Course study generated a number of recommendations to improve the quality of education provided to students and to improve student success rates, Ms. Harris indicated that the proposed student success initiatives would:

1. Increase access for adults, low income students, and students of color through financial aid, through collaborations with the Technical Colleges, and through creation of adult access centers. In addition, funding requested would improve the capacity to add online courses that could be accessed by place-bound students.
2. Increase student retention and graduation, thereby providing 10,000 more college graduates per year to boost the state’s economy. It is estimated that 1,000 more graduates a year would provide \$17 million per year of additional income to the state and help to stimulate the economy. Improving retention and graduation rates would also improve success rates for students of color.

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Federal Funding

Noting that a major goal in the biennial budget instructions is increasing the amount of federal funding secured by the state, Ms. Harris pointed out that the UW successfully attracted \$600 million in federal funds in 2002-03. The potential to increase federal funding relies on the ability to fund summer grant writing research and public service and the ability to recruit and retain competitive, productive faculty. The proposed budget request would include summer stipends to enable the UW to compete for more federal funding that provides high-skill, high-wage jobs to stimulate the economy.

Funding also would be requested to upgrade the technology infrastructure to compete more effectively with other Midwest states for federal grants. In that regard, she pointed out that universities in other states in the Midwest have surpassed the UW’s ability to access, collaborate and share large data projects. Internet II now is critical to garner the type of research funding the university has obtained in the past.

Turning to a proposal to bring faculty and staff salaries to the peer median, Ms. Harris pointed out that, if the UW is not competitive, it will lose its best and brightest

who will take large research grants, talented junior faculty and jobs away with them. Many other states, she noted, are making strategic investments, even in these difficult times, in order to increase the stature of their universities and the ability to compete effectively for federal funding.

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Ms. Harris indicated that these initiatives fit well with the Governor's instructions, with two exceptions:

- 1) They cannot be achieved with a zero growth budget, much less with one that imposes another budget cut. After a biennium of large cuts, funding must be increased in order to allow the UW to help the state achieve its goals.
- 2) A ten percent cut in positions, as mentioned in the instructions, would come on top of the 650 FTE positions cut in the current biennium. Under these conditions it would not be possible to maintain current services, let alone provide increased benefits to the state. However, it is felt that the UW could manage its positions within the current authorized levels if the Department of Administration would allow the UW to reflect contract staff in the same manner as other state agencies. This possibility was being discussed with DOA.

Ms. Harris explained that the board could advance its Charting a New Course recommendations to achieve essential student access and success goals and address the Governor's biennial budget priorities. This request could move forward with the traditional split between GPR and tuition or the board could consider a different mix of state and tuition revenues. In the past, she recalled, the board has responded to no-growth guidelines by submitting a no-growth budget, along with supplemental initiatives. While these initiatives have been unsuccessful in the past, it would be an option the board could consider again.

Turning to cost to continue items, Ms. Harris noted that these are primarily housekeeping matters, with two exceptions: 1) a request for funding of services for disabled students, not funded in the 2003-05 budget, to replace funding previously provided by the Division of Vocational Rehabilitation; and 2) funding for maintenance of new buildings, as directed in the budget instructions.

Finally, she referred to previously discussed statutory language requests that would help to serve students more efficiently and minimize administrative costs.

In discussion following the presentation, Regent Bradley inquired about the position counting matter that was being discussed with the Department of Administration. In response, Ms. Harris explained that university staff who work less

than half time are included in position counts, whereas such staff are not counted by other state agencies because they are treated as limited-term employees.

In reply to a question by Regent Rosenzweig, Ms. Harris explained that changing the method of counting these staff would allow the university to provide more services without increasing the number of state positions.

Regent Rosenzweig asked that the budget request make very clear that the amount of the financial aid request reflects the use of one-time money in the previous budget. Ms. Harris indicated that the budget request would include a full description of why the funding is needed. In the current biennium, financial aid increases were funded by use of one-time auxiliary money that needs to be replaced with GPR on a permanent basis in order to ensure that students do not have their financial aid decreased.

Regent Rosenzweig asked if it is fair to characterize the auxiliary funds as money belonging to students. Ms. Harris replied in the affirmative, indicating that it is money students paid for services such as residence halls and meal plans.

Regent Olivieri suggested that all documentation reflect the fact that the access and equity financial aid requests are cost-to-continue items. He requested a breakdown of each of the subcomponents of other proposed requests, including their costs, so that each could be evaluated in deciding which items to include in the final budget request. He also asked that documentation show the cost for including the two lowest income quintiles in the hold-harmless financial aid request so that the board could consider that option when voting on the final budget package.

Regent Davis suggested that the documentation include the incomes represented in those quintiles in order to illustrate why financial aid is critical to those students.

Regent Pruitt suggested that projections be included as to how the downward slide in access for low-income students could be turned around by investment of these additional resources.

In response to a question by Regent Walsh, Ms. Harris explained that cost to continue for gifts, trusts and other items would be based on numbers included in the annual budget. These are standard items and no problems are anticipated in these areas.

Regent Walsh asked why the university's positions are counted differently than those in other agencies. Ms. Harris explained that in the 1970s and 1980s the state developed a position management information system by which each employee and position was numbered and tracked. The university's positions did not fit well within that system because it would have been necessary to go through a formal change process in order to replace a retiring professor with an assistant professor or whenever a funding source changed. Therefore, the university was allowed to develop its own mechanism of counting positions and that method has been perpetuated since that time. In this system, unclassified staff who work less than half time are not counted as limited-term employees, although classified staff are. The proposal would be to change the counting method so that unclassified and classified staff who work less than half time are treated the same way. This would reduce the number of positions in the UW System.

Regent Mohs asked if there is understanding within state government of the problems that the university is facing in trying to meet the desire to increase student access with 85% of expenditures going for salaries. Ms. Harris indicated that, while there is sympathy and understanding of the problems, the university's time frames are less well recognized. In that regard, she noted that, once students are admitted, there is an obligation to provide the services for which they are paying and to provide quality education through graduation.

Referring to the diagram showing total university resources of \$3.67 billion, Regent Bradley suggested preparing a diagram that shows only what is available for educating students and how it is spent.

Regent Rosenzweig agreed, noting that some legislators and others do not realize that most of that money is not flexible and cannot be used for instruction. Instead it is federal funding to pay for research, student payments for room and board and other monies that cannot be moved around. Ms. Harris noted that the main sources of funds for educating students are the \$818 million in GPR and \$714 million in tuition.

Regent Richlen suggested including in the diagram the percentage of financial aid being funded by students through the use of auxiliary funds.

Regent Gottschalk suggested making more detailed the portions of the diagram dealing with tuition and state funds by showing amounts of money represented by the percentages and how much is spent for salaries and other costs.

Regent Amato suggested using the scheduled July 8th or 9th meeting date to review and discuss the information that has been requested, rather than waiting until the August meeting when action on the budget will be needed.

Regent President Marcovich noted that Ms. Harris had invited regents to meet individually with her over the summer to go over budget areas in which they have a particular interest.

Noting the complexity of the budget, Regent Axtell recommended both participating in individual sessions and holding a July meeting.

Regent Olivieri commented that the budget proposal should reflect recommendations made in the Charting a New Course study and that it should be made clear that initiatives are based on that study. For example, he thought that the proposed incentive funds for which faculty could compete to create efficiencies and collaborations in transforming learning would be an initiative that might receive a favorable reaction among decision makers. He also felt that the Business and Finance Committee or the full Board should meet again on the budget before the August meeting.

Regent Mohs noted that the Charting a New Course study made it very clear that, if the university suffered further GPR cuts, access would be affected. He thought that it should be made clear to all stakeholders that, while the university is doing the best it can

to educate as many people as possible, there will be an impact on access if resources are insufficient.

Regent Bradley said that he would consider having a meeting of the Business and Finance Committee in July, with other regents invited.

Regent Salas asked for information on total costs to students, including differential tuition, segregated fees, and room and board charges.

Regent Olivieri commented that it would be important to discuss alternative funding scenarios so that the board could have input as to whether or not to modify the traditional formula. He remarked that it is helpful for the board to understand different alternatives, with more or less emphasis on tuition. In some instances, he said, tuition might be used to fund certain initiatives, but not others.

In response to a question by Regent Walsh, Ms. Harris indicated that the figure of 1.5% of state funding for financial aid amounts to \$15 million for the Lawton and Advanced Opportunity Program. Most state financial aid is funded through the Higher Educational Aids Board.

Stephanie Hilton, President of United Council, reported that students have been clear about the need for the state to restore funding for the base budget, for faculty and for financial aid. She commented that it is unacceptable to students that the budget instructions do not allow for any educational quality improvements, with flat funding for the next biennium in addition to a 10% administrative cut. For next year, she remarked, students would pay an additional \$500-\$700 in tuition, while the Wisconsin Higher Education Grant would increase only \$31.

She urged the board to go against the budget instructions and ask for state support that is needed for the rebuilding process. The students, she said, would rally behind such a proposal and join in the fight for needed funding.

Brett Belden, President of the UW-Milwaukee Student Association, commented that, while students paid double digit tuition increases, the UWM has had to operate with a base budget reduction of more than \$5 million and an additional lapse of almost \$3 million. At the same time, UWM experienced considerable growth over the past year, and freshman applications are up by 9% for the coming year.

With the budget cuts the university has already suffered, he noted, students are paying more for fewer services and less quality. He did not see how the campus could sustain quality and provide maximum access with another round of budget cuts. What is needed, he said, are smaller classes and more services – not larger classes and a further reduction in services.

Noting that the Governor has identified access to higher education as a major priority for his 2005-07 budget, he observed that handing the university another major cut is not supportive of this priority. He asked the board to join with students in opposing

further cuts and in standing up for a system of schools that has been such a beacon of opportunity for all people in the past.

Tony Rodriguez, Vice President of the UW-Milwaukee Student Association, began by referring to Chancellor Santiago's comment that, "Access without quality is not access at all." It is time, he said, for the UW System to ask whether the quality of education it provides and the access for which it advocates must be compromised. Because of budget cuts, he indicated, students at UWM are being placed in larger classrooms, sometimes exceeding 400 students, with one professor and not nearly enough teaching assistants for adequate instruction.

Further administrative cuts, he continued, could come from areas essential to university life, such as student advising and financial aid assistance – services that are essential to helping students remain in school and graduate in a timely way. In the College of Letters and Science, the student/advisor ratio is 730 to 1. As a representative of 26,000 students, he urged the board to oppose budget instructions that would decrease access to higher education, increase loan debt and impair students' futures.

Regent Davis requested that all future biennial budget documents continue to be strongly thematic in terms of quality and access and that they paint pictures in terms of consequences for decisions that are on the table. In that regard, she felt it would be helpful to include examples of student/advisor ratios and class sizes around the state. She also suggested that the \$3.67 billion figure never appear without an accompanying statement that only \$1.5 billion of that total can be used for instruction.

She stated the importance of the board being very strong in its position of supporting quality education and access to students. In that regard, she said it will be necessary to be aggressive in communicating the consequences of the cuts already made and the potential consequences of further cuts.

In response to a question by Regent Walsh, President Lyall said that the budget instructions called for 10% cuts of administrative costs, which would amount to about \$16 million. This would include computer technology services, as well as financial, auditing and risk management functions.

Regent Bradley asked if the cut would include student services, such as advising, to which President Lyall replied that such services could be included but the specifics were still being discussed with the Department of Administration. In the past, the university had at times been given a budget cut number derived from one base, but provided flexibility to take parts of the cut from other areas. This was welcomed as a way to prevent decimating entire services. She hoped that such flexibility would be provided for any future cuts.

Regent Olivieri asked if the computer technology area subject to the administrative cuts would include the academic support component, to which Vice President Durcan replied that it would include only administrative computing for such services as accounting, payroll, benefits and legal services.

Regent Rosenzweig recalled the legislative commitment to students and the public several years ago to balance tuition increases with increases in financial aid. She thought it important for the board and students to remind current legislators of that commitment.

Noting that these administrative costs already are lean, Regent Axtell asked if they include all the ancillary support services needed to run the university, to which Regent President Marcovich replied in the affirmative.

President Lyall added that, as she understood the instructions from colleagues in the Department of Administration, the Governor intended to identify a cut number and allow the university to manage it, rather than identifying specifically the items that should be cut.

Regent Salas requested information on the amount of administrative costs at the department level. He also asked if it would be possible to have the Legislative Audit Bureau's report on university administrative costs in time to make informed choices in deliberating on further administrative cost cuts and to demonstrate how lean the university already is in those areas.

Replying that the audit would be shared with the board as soon as it is available, President Lyall noted that the university uses the categorization of costs specified by the U.S. Department of Education for all of higher education, which allows the UW to benchmark itself against peers around the country. That categorization counts some departmental administration as part of the academic program cost and provides a separate category for student support services. It is those figures that indicate that the UW spends about 5% of resources on administrative services, compared to about 10.5% which is the average around the country.

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2005-07 BIENNIAL CAPITAL BUDGET

Beginning her presentation, Assistant Vice President Nancy Ives noted that 70% of UW facilities are over 30 years old and 60% are over 40 years old. The amount of GPR needed for maintenance of academic buildings is about \$200 million per biennium. About 60 million of program revenue also is needed for facilities, such as housing, food service, and student unions.

In addition, she continued, facilities need to change to keep up with how students learn best, supporting the board's goals of student access and educational quality. Each institution develops six-year plans for its facilities, and the biennial capital budget reflects the first two years of those plans.

The six-year plans include 176 major projects, with about 70% of the funding needed for academic facilities and 11% needed for administrative services, including

student services. Other proposed projects include housing, student union projects, parking, libraries, and food service.

The cost of the six-year plans would total about \$1.7 billion, 74% of which would be financed by GPR bonding, 19% from program revenue, and 7% from gifts. Experience showed that the percentage coming from gifts tends to grow as construction time draws nearer.

For the 2005-07 biennium, nearly half of the need is for academic facilities, such as changing the configuration of classrooms to accommodate the way students learn today and changing laboratories to enable small group instruction.

Overall, the six-year plans call for demolition and replacement of 28 buildings that have reached the end of their useful lives. In addition, all campuses have a need for new space. In that regard, the board had adopted ranking criteria that focus on taking care of existing facilities, but this year criteria were added to recognize quantitative issues as well.

The 2005-07 capital budget would request 66% of GPR funding, 27% program revenue funding, and 7% gift/grant funding. Sixty-six percent of the major projects would be academic, 18% administrative and student services, 9% utilities, 4% libraries, 2% equipment, and 1% athletics.

Examples of program revenue funded projects include: Student union renovations and additions at UW-Eau Claire, UW-Parkside, and UW-Superior; food service renovations at UW-Platteville, UW-Stout, and UW-Whitewater; housing renovations or construction at UW-Madison, UW-Platteville, UW-Stout, and UW-Whitewater; parking at UW-Oshkosh and UW-River Falls; recreation and athletic facilities at UW-Oshkosh and UW-Platteville; and student health services and child care facilities at UW-Madison and UW-Eau Claire. These projects are funded with user fees paid by students. In every case, campuses involved their student governments in consideration and approval of the projects.

Projects to be funded in 2005-07 with gift and grant monies include academic buildings at UW-Madison, UW-Superior, and UW-Whitewater. UW-Oshkosh planned to use gift funds for athletic facilities, and UW Extension is to seek grant funds from the federal government for equipment to continue a digitization project. UW-Oshkosh planned to seek funds for exterior development and UW-Superior is seeking funds for a student union. In addition, chancellors are raising funds for projects that do not appear in the 2005-07 biennial budget for construction, but that would be moved to the planning stage for construction in the following biennium. It was noted that some gift funds come with contingencies that the project be built by a given time.

Indicating that the UW received about \$215 million for major projects in each of the last two biennia, Ms. Ives pointed out that, to meet the six-year plan total of \$1.2 billion, about \$400 million would be required in each biennium going forward. The DOA budget guidelines for 2005-07 set a target of about \$133 million for the UW and a six-year total of \$463 million. However, agencies are permitted to demonstrate the need for additional funds due to changing priorities and new program directions.

Ms. Ives recommended making a strong case for additional funding based on extensive campus needs. The capital budget, as approved by the board in August, would be submitted to the Building Commission for action in February.

In response to a question by Regent Connolly-Keesler, Ms. Ives explained that most of the projects have been on the priority list for a number of years. However, they do not move up the list automatically. In the past biennium, the board adopted criteria that call for the chancellors to reprioritize projects each biennium to reflect new thinking and current directions. The proposed budget for 2005-07 would include approximately one-third of the six-year plan. The board would review how the projects were prioritized and decide how much money to request. The state typically has accepted the board's priorities, which then have been funded to the extent determined by the Building Commission.

Regent President Marcovich added that the board would have final authority on which projects receive priority, applying the criteria that had been previously adopted.

Regent Connolly-Keesler asked if there was some cushion provided to fund projects in the event that a donor should come forward in the course of the biennium, to which Ms. Ives replied that there generally is less than \$10 million available in residual accounts. In general, there would not be much flexibility in the budget, and it would be necessary to go back to the legislature for additional funding.

Regent Salas pointed out that, while the six-year plans called for spending 69% for academic facilities, 11% for administrative and student services, and 4% for housing, the proposals for 2005-07 would spend 46% on academic buildings, 22% on administrative and student services, and 1% for housing.

Ms. Ives explained that the request for the coming biennium would only reflect projects in the six-year plan that the campuses need to do first.

Regent Axtell noted that past capital budget funding has largely focused on renovations and not on new buildings. He pointed out that the board would not want to give the impression that it would request \$1.2 billion for new buildings across the state.

Ms. Ives recalled that in 1980 about 90% of the funding went into new space and 10% into remodeling. In the 1990s, that changed to 80% for remodeling and 20% for new space. Now, the split is about 50/50, with new construction consisting both of replacement facilities and additional space to address significant quantity problems at all of the comprehensive institutions.

Regent Rosenzweig agreed that it is important to accurately portray where the dollars would go in terms of renovation, replacement for facilities that are no longer adequate, and new space to accommodate expanding student populations. Ms. Ives indicated that complete breakdowns of percentage and dollar figures for each category would be provided in the materials prepared for the August meeting.

In response to an inquiry by Regent Walsh, Ms. Ives said that facilities that are fully funded by program revenues or gifts and grants are included in the capital budget.

Regent Walsh asked about debt service, and Ms. Ives replied that this item is included in the cost-to-continue portion of the operating budget.

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PLAN 2008: PHASE II

Senior Vice President Cora Marrett began her presentation by noting that, at the April meeting, the board had reviewed developments during Phase I of the plan and identified two categories of initiatives: Those for which momentum should be maintained; and those deserving acceleration. For the second category what emerged was the continued gap in retention and graduation rates between students of color and other students.

Dr. Marrett referred to a chart that showed retention rates of new freshmen into the second year. In 1998, the retention rate was 72% for students of color and 79% for white students. In 2002, the retention rate was 76% for students of color and 81% for white students. Had no gap existed, 142 additional students of color would have been retained into the second year.

Turning to graduation rates, Dr. Marrett referred to a chart showing six-year graduation rates of 62%, 63% and 64% for white students in the 1995, 1996, and 1997 cohorts, compared to graduation rates of 42%, 42% and 43% for students of color in those same cohorts. If the gap were eliminated for degrees conferred in the 2002-03 academic year, an additional 940 students of color would have graduated.

Reducing the achievement gap, Dr. Marrett continued, deserves consideration for at least four reasons:

- It relates to success for all students;
- It bears on the interest in expanding the number of baccalaureate degree holders;
- It affects recruitment and other outcomes; success in graduating students enhances the attractiveness of an institution.
- Closing the gap seems clearly within reach for these reasons:
 1. There appear to be modest improvements in second year retention rates;
 2. The emphasis on assessment should reduce trial and error approaches and make possible more effective investments of resources; and
 3. A rich array of communities and activities can be mobilized to address this matter.

To illustrate the third point, she noted that one community with a particular interest in this area is the student community and called upon Stephanie Hilton, President of United Council, to lead a panel on the topic of promoting success for all students.

Stating that United Council has been a great supporter of Plan 2008 since its creation, Ms. Hilton indicated that students are excited about the direction that Phase II is taking.

Outlining some concerns about the first phase of the plan, Ms. Hilton said that students felt there were not enough accountability measures in place to ensure that Plan 2008 was making a positive impact on campus. Therefore, students were pleased that assessment of programs would be part of Phase II. Another concern was that, while a great amount of effort was devoted to recruiting students of color, campus support networks and services on campus were not adequate. These services should be improved under the focus of Phase II. In addition, students felt that their support for students of color often went unrecognized. Further, students agreed that meeting the goals of Plan 2008 should be a priority for everyone on campus; that a supportive and inclusive campus climate will create a community that is welcoming to all students, faculty and staff; and that only this type of learning environment will lead to a quality education.

The next speaker was Guillermo Cuautle, Multicultural Issues Director of the UW-Milwaukee Student Association and a transfer student from UW-Rock County. Mr. Cuautle began by observing that he had benefited personally from Plan 2008 and that the plan's programs had educated his former campus on the importance of diversity.

Noting that his father was an immigrant from Mexico, he recalled that he had not questioned his identity until he began to encounter discrimination and stereotyping. At UW-Rock County, he took an excellent class on intercultural communications. One of the campus' Plan 2008 programs, the course did much to educate him about the reasons for many cultural biases. This class, along with a study-abroad program to Mexico, helped him greatly in understanding his identity. He felt that classes on cross-cultural communications should be emphasized by UW campuses to aid in providing the awareness that will help to break down cultural barriers and aid in fostering a safe, supportive and inclusive campus climate.

In addition, he commented that pre-college programs, scholarships, and recruitment and retention programs allow students of color and economically disadvantaged students to succeed and thus help to diversify campus communities. He commended Dean Phillip and the faculty and staff of UW-Rock County for taking diversity seriously and pointing many students in the right direction, including involvement in student cultural organizations.

In conclusion, he urged the board to continue its commitment to diversity.

Angie Gomez, a student at UW-Parkside, spoke about the key role played by student-of-color organizations in retaining students on campus by offering social and

educational programs, as well as by serving as a support network. These organizations, she pointed out, educate staff and the surrounding community, as well as students. They also involve students in a variety of cultures and demonstrate the type of teamwork that is needed to produce success – a skill that also is essential in the world of work. As support networks, they promote solidarity among members and provide easy-to-reach information and referrals to other sources of help. Funded by student segregated fees, they also provide personal and professional growth opportunities to their members and the community.

In conclusion, she commented that student-of-color organizations are fundamental components in student retention and thus play a vital role in the success of Plan 2008.

Nick Cluppert, A UW-River Falls student, spoke about a threat to African American students on that campus several months ago. In response, the campus pulled together to support them. A large rally was attended by about 700 students, as well as faculty, staff, and members of the community. At this event, people shared stories of support, fear and concern for one another. After the rally, discussion groups were held in each of the residence halls and the Student Center. On that day, he felt that the campus gained a realization of the importance of diversity and of a safe and supportive campus environment.

In conclusion, he commented that, if the university is to produce people who are able to go into the world and make a difference, this goal can only be attained if there is a diverse campus that exposes students to different perspectives and different cultures. Plan 2008 is needed for that reason.

Following the panelists' remarks, Dr. Marrett presented the following resolution, characterizing it as a bold approach that links student success to assessment and to reallocation of resources based on assessment. It will be necessary, she emphasized, to move forward rapidly and with concerted effort in order to realize the desired benefits by 2008.

Adoption of the following resolution was moved by Regent Mohs and seconded by Regent Rosenzweig:

Endorsement of Plan 2008 Phase II Guidelines

- Resolution:
- That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents endorses the following *Plan 2008 Phase II* Planning Guidelines:
- That, the focus of Phase II will be to address the achievement gap between UW System students of color and white students measured by retention and

graduation from UW institutions.

- That, UW System institutions will focus their resources and efforts on narrowing the achievement gap in ways that are appropriate to their particular mission, student population, and other circumstances.
- That, UW System institutions will develop a means of assessing *Plan 2008 Phase II* initiatives, refocusing resources and making programmatic changes based on the evidence from that assessment.
- That, pursuant to these guidelines, the UWSA Office of Academic Affairs will: work with UW institutions in developing Phase II plans; report back to the Board with summaries of institutional and UWSA Phase II plans in spring 2005; and make biennial reports of progress thereafter.

Noting that he and Regent Marcovich had been on the board when Plan 2008 was created, Regent Mohs said that, while he did not believe that race should be considered as a factor in admissions, he agreed that, once students are admitted, everything possible should be done to make their college experience a success. He pointed out that lower retention and graduation rates for students of color are a national phenomenon that cross family income ranges. In order to retain these students, advising and support services are needed to track them, provide guidance and help if they falter and to make their education meaningful so that they can develop a vision of their future.

Another critical component of the plan, he continued, are pre-college programs, particularly in Milwaukee, to help students and their families become engaged early in their education and to encourage them to include college in their dream, so that they come to school better prepared and with a plan for the future. Of the \$35.9 million spent annually for diversity, 16% goes for recruitment, 23% for pre-college programs, and 60% for retention. Rather than spending scarce resources on competing for out-of-state students, he suggested using it instead for pre-college programs in Wisconsin, to improve the pipeline for resident students of color who he thought more likely to remain in Wisconsin after graduation and contribute to their communities.

Regent Salas asked if the guidelines in the resolution are consistent with the goals of Plan 2008, to which Dr. Marrett replied in the affirmative. Noting that the plan has seven goals, she said that the purpose of the resolution is not to diminish the other goals but simply to concentrate efforts in areas of particular need. It did not mean the campuses could not make progress toward the other goals of the plan.

Referring to the concerns expressed by student speakers, Regent Salas asked how the guidelines would respond to the need they felt for greater accountability at the campus level and about the need for greater support networks for students of color. With

regard to use of limited resources, he felt the focus should be on retaining students already admitted, rather than spending more on pre-college programs.

In response to a question by Regent Salas on how division of resources would be determined, President Lyall explained that the campuses would work with Senior Vice President Marrett to develop their plans for Phase II and that these plans would be brought back to the board.

Regent Salas felt the board should provide more guidance on how resources are to be used and the results that are expected. He did not consider the proposed guidelines specific enough in that regard.

Regent President Marcovich noted that the first guideline in the resolution provides that the focus of Phase II would be to address the achievement gap between students of color and other students, as measured by retention and graduation rates.

With regard to accountability, Dr. Marrett indicated that the Office of Academic and Student Services would be working with the institutions to put together better information about what would be most effective in improving retention and graduation rates.

Commending Dr. Marrett for her presentation and for inclusion of student perspectives, Regent Davis stated her support for the resolution and its focus on making retention and graduation a priority. At the same time, she appreciated the fact that the goals themselves were not altered. Increasing faculty and staff diversity, she pointed out, also would be helpful in improving retention of students of color. While she favored giving campuses the freedom to do the planning and assessment for which they would be held accountable, she suggested bringing the plans back to the board in December, rather than waiting until March.

Regent Davis also expressed her support for pre-college programs and their important role in the lives of students whose families have no experience with higher education. In conclusion, she stated that she looked forward to seeing rich plans that will move toward closing the gap in achievement for students of color and that will do a better job of recruiting students both within and outside of Wisconsin.

Regent Olivieri expressed concern that the focus on student retention not be interpreted to indicate satisfaction with the current composition of the student body. Some campuses, he noted, have challenges in this regard that involve recruitment efforts. He also felt that there should be common strategies that could be adopted system-wide with regard to the retention/graduation issue, rather than having institutions develop individual approaches.

Regent President Marcovich observed that the resolution did not indicate satisfaction with the status quo. He felt that the assessment to be done would provide guidance for the overall plan, but he thought that different treatment would be required for specific problems on individual campuses.

Dr. Marrett indicated that there is considerable knowledge about factors that affect retention. The intention would be to bring the institutions together to review what is known and consider the implications for the institutions. In these reviews, composition

of the student body also would be considered. As to timing, she noted that retention strategies involve the entire institution, including faculty, student services and administration. While it would take some time to develop mechanisms for those discussions, she felt the plans could be completed sooner than March, if the board desired.

Regent Olivieri favored having the plans brought to the board in December and suggested annual, rather than biennial, reports. He asked how Wisconsin compares with other states in terms of gaps in achievement.

In reply, Dr. Marrett indicated that Wisconsin compares favorably with other states both in terms of retention of students in general and retention of students of color. However, she felt that the UW should do better and aspire to national leadership in this area.

Regent Randall commented that, for him, using scarce resources for retention and pre-college programming could not be an either/or proposition. Noting that many students of color continue to select non-UW schools, he observed that the reaction of the River Falls campus to an incident that threatened students of color demonstrated a level of maturity about diversity and showed that significant headway was being made in improving the campus climate. He felt it would make a difference in attracting new students of color that the campus community had demonstrated sincerity about wanting them on campus and willingness to support them if adversity should strike.

With regard to pre-college programming, he indicated that, in Milwaukee, there are four federal Gear-Up grants, totaling more than \$24 million, that would be coming to a close. Future grants would cap out at half a million dollars and might be removed altogether. He urged that the university work with all the institutions applying for Gear Up funding, including the Milwaukee Area Technical College, and the Department of Public Instruction regarding use of these funds and that the UW build on the model shown by UW-River Falls in supporting students once they arrive on campus.

Dr. Marrett added that the UW is studying the outcomes of existing pre-college programs to determine how those resources can be used in the most effective ways to enhance student success.

It was moved by Regent Amato and seconded by Regent Davis that paragraph 4 of the resolution be amended to provide that the report come to the board in December 2004 and that the biennial report be changed to an annual report.

Chancellor Wells commented that, while chancellors were disappointed with the lack of progress on Plan 2008, there were some notable successes that should be built upon in the future. Students of color, he pointed out, are hurt more than others when basic support services, such as advising, are cut back. Additional budget cuts also would adversely affect efforts to diversify faculty and staff.

The question was put on the amendment, and it was adopted on a unanimous voice vote.

Put to a voice vote, Resolution 8850 was adopted, with Regent Salas voting in opposition.

Amended Endorsement of *Plan 2008 Phase II Guidelines*

- Resolution 8850: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents endorses the following *Plan 2008 Phase II* Planning Guidelines:
- That, the focus of Phase II will be to address the achievement gap between UW System students of color and white students measured by retention and graduation from UW institutions.
 - That, UW System institutions will focus their resources and efforts on narrowing the achievement gap in ways that are appropriate to their particular mission, student population, and other circumstances.
 - That, UW System institutions will develop a means of assessing *Plan 2008 Phase II* initiatives, refocusing resources and making programmatic changes based on the evidence from that assessment.
 - That, pursuant to these guidelines, the UWSA Office of Academic Affairs will: work with UW institutions in developing Phase II plans; report back to the Board with summaries of institutional and UWSA Phase II plans in December of 2004; and make annual reports of progress thereafter.

The meeting was recessed at 12:45 p.m. and reconvened at 1:30 p.m.

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2004-05 ANNUAL OPERATING BUDGET

Noting that this is the second year of the current biennial budget, President Lyall indicated that these funds were appropriated by the Legislature and the budget was signed by the Governor more than a year ago. Action at this meeting is proposed for the purpose of establishing tuition and fee schedules for the campuses and allocating the second year's money among campuses.

The GPR portion of the budget decreased to about 25% from 27% last year and about 32% several years ago. At the same time, the tuition share has risen to almost 21%. Other sources of income, such as gifts, grants, contracts, and program revenues, constitute more than half of the budget. These funds, however, are not flexible and could not be assigned to the instructional mission, which must be funded by GPR and tuition.

Proposed tuition amounts reflected the \$500 and \$700 increases that were authorized in the biennial budget. Resident undergraduate tuition would be \$5,254 at UW-Madison, \$5,138 at UW-Milwaukee, \$4,000 at the comprehensive universities, and \$3,700 at the UW Colleges. Although the increases are significant, the President noted, tuition remains below the average for peer groups. Medical School and Veterinary School tuitions were not proposed for increases because they already were above the average for their disciplines nationally.

Regent Axtell observed that the tuition increases were not newly proposed, but rather were presented in the Governor's last biennial budget and approved by the Legislature. In that regard, he noted that the university's budget had been cut by \$250 million, which was reduced by \$150 million in tuition increases. While no one is happy with this outcome, he pointed out, it is necessary to implement the increases given the requirements of the last biennial budget.

Regent Mohs expressed concern about the impact of the tuition increases on affordability and stated that it would be tolerable to him only if the university could continue to offer high quality education.

Regent President Marcovich commented on the importance of making a clear statement that it is not the board's policy to replace state funding with student tuition.

Regent Rosenzweig recalled that students had stood shoulder to shoulder with the board when it was necessary to accept the large tuition increases. Now, she noted, they were challenging the board to stand with them in making the case convincingly that now is the time to reinvest in the university and rebuild our institutions.

Adoption of Resolution 8851 was moved by Regent Mohs and seconded by Regent Axtell.

2004-05 Operating Budget including Rates for Academic Tuition, Academic Tuition Refund Policy and Schedule, Segregated Fees, Textbook Rental, Room and Board, and Apartments

Resolution 8851: That, upon the recommendation of the President of the University of Wisconsin System, the 2004-05 operating budget be approved, including the tuition refund policy and schedule, rates for academic tuition, segregated fees, textbook rental, room and board, and apartments as reflected in the document 2004-05 Operating Budget

and Fee Schedules, June, 2004. The 2004-05 amounts are:

GPR	\$992,904,285	25.55%
<u>Academic Tuition</u>	<u>\$807,142,103</u>	<u>20.77%</u>
Total GPR/Fees	\$1,800,046,388	46.32%
<u>Other</u>	<u>\$2,086,170,551</u>	<u>53.68%</u>
Total	\$3,886,216,939	100.00%

That the President of the UW System is authorized to approve any minor changes required to Program Revenue totals due to parity adjustments approved by the Joint Committee on Employment Relations (JCOER) in May.

Academic tuition for Minnesota Reciprocity students will be incorporated into the 2004-05 Academic Fees/Tuition Schedule upon receipt of final Minnesota tuition information.

In response to a question by Regent Amato, President Lyall indicated that student costs, including tuition, fees, room and board range from \$11,243 per year at UW-Madison to \$7,522 at the UW Colleges.

Regent Amato expressed concern that students are being priced out of an education as tuition rises, not only at the low-income level, but at the low-medium and even medium levels. In addition, he noted that higher tuition makes it more difficult to recruit and retain students of color. If the resolution were defeated, he commented, it would be necessary to make a case to the Legislature for more funding, and the outcome might be a lower tuition increase. While he could not support the current tuition proposal, he stated that he could support a lower level.

The question was put on Resolution 8851, and it was adopted on a roll-call vote, with Regents Axtell, Bradley, Connolly-Keesler, Davis, Gottschalk, Marcovich, Mohs, Olivieri, Pruitt, Randall, Rosenzweig, and Walsh (12) voting in the affirmative, and Regents Amato, Burmaster, Richlen, and Salas (4) voting in opposition.

Regent Bradley commented that the board's action implemented the second part of the Governor's budget. He expressed the hope that it would be recognized in the next budget and that the university did more than its share in 2003-05.

Regent President Marcovich stated that he had voted for the tuition increase because he saw no reasonable alternative.

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RESIDENT TUITION FOR UNDOCUMENTED STUDENTS

Introducing this item, Regent Salas noted that non-resident students transferring from the WTCS System are given lowest priority for UW admission. At Milwaukee Area Technical College, he explained, children of undocumented parents are considered residents if they meet certain requirements.

He advised that Resolution 8852 contains language proposed by Governor Doyle to change the law by allowing sons and daughters of undocumented persons to be eligible for resident tuition.

The second paragraph of the resolution, he continued, affirms support for an existing statutory provision that exempts from nonresident tuition migrant workers and their families. This provision, he pointed out, recognizes the economic contributions that migrant workers have made to the state's economy.

The third paragraph encourages use of available financial aid resources, including remission of nonresident tuition, to provide financial support for immigrant students. In that regard, he noted the statutory provision for remission of nonresident tuition for students who are needy and worthy, and encouraged use of that authority to support students whose parents are undocumented.

Adoption of Resolution 8852 was moved by Regent Salas and seconded by Regent Olivieri.

Resident Tuition for Undocumented Students

Resolution 8852: That the Board of the University of Wisconsin System supports a change in Wisconsin law that would expand the current exemptions from nonresident tuition to include undocumented persons meeting legislatively determined criteria with respect to attendance at Wisconsin schools, continuous presence in the state, acceptance at a UW System institution, and evidence of intent to apply as soon as eligible for permanent residence in the United States through the United States Department of Homeland Security; and

That the Board affirms its support of s.36.27(2)(a)6, Wisconsin Statutes, exempting from nonresident tuition migrant workers and their families; and

That the Board further encourages UW System institutions to utilize available financial aid resources, including the remission of nonresident tuition where consistent with s.36.127(3)(a)-(c), Wisconsin Statutes

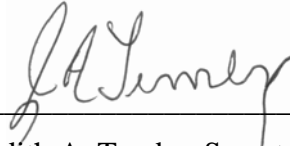
and federal law, to provide financial support for immigrant students seeking to enter UW System institutions.

Regent Walsh asked if the words “Wisconsin schools” in the sixth line referred to K-12 schools, and Regent Salas replied in the affirmative. Regent Walsh stated his support for the resolution on the basis of fairness to all young people who are going through the state’s school system. The children of undocumented persons, he observed, should have the same opportunities as everyone else.

The question was put on Resolution 8852 and it was adopted on a unanimous voice vote.

The Board’s business having concluded, the meeting was adjourned at 2:45 p.m.

Submitted by:



Judith A. Temby, Secretary

MINUTES OF THE REGULAR MEETING
of the
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Milwaukee, Wisconsin

UW-Milwaukee
Held in the Wisconsin Room
Friday, June 11, 2004
8:00 a.m.

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MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Milwaukee, Wisconsin

UW-Milwaukee
Held in the Wisconsin Room
Friday, June 11, 2004
8:00 a.m.

- President Marcovich presiding -

PRESENT: Regents Amato, Axtell, Bradley, Burmaster, Davis, Gottschalk, Gracz, Marcovich, Mohs, Olivieri, Pruitt, Randall, Richlen, Rosenzweig, Salas and Walsh

ABSENT: Regent Connolly-Keesler

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WELCOME TO REGENT DESIGNATE MILTON MCPIKE

Regent President Marcovich welcomed Regent Designate Milton McPike who had been appointed by Governor Doyle to succeed Frederic Mohs, effective July 1st.

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APPROVAL OF THE MINUTES

Upon motion by Regent Mohs, seconded by Regent Pruitt, the minutes of the May 6th and 7th meetings were approved as distributed.

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REPORT OF THE PRESIDENT OF THE BOARD

Commendation to Regent Mohs from Governor Doyle

Presenting the following commendation from Governor Doyle, Regent Vice President Walsh expressed his admiration for Regent Mohs' energy and commitment to the UW System and to what he thought was right.

“Whereas, Frederick Mohs has been a distinguished and dedicated public servant as a member of the University of Wisconsin System Board of Regents since 1997 and;

“Whereas, through his unselfish service Regent Mohs has helped to shape the classroom experience for thousands of UW students and witness the major transformation of lands and facilities on the Universities' 26 campuses and;

“Whereas, Fred Mohs provided support and leadership to Wisconsin's economic future through his participation and involvement in the University's four Wisconsin Economic Summits and;

“Whereas, Regent Mohs has furthered University partnerships with the City of Madison and the State and is a member of University Research Park Board of Directors and;

“Whereas, he has been a true friend to the University, the State Legislature and The Office of the Governor alike working to facilitate dialog and ensure a positive relationship among all sectors for the benefit of UW students and the State as a whole and;

“Whereas, throughout his seven years of service Fred Mohs has served UW students and the citizens of Wisconsin as a champion and as a model of the Wisconsin Idea at work.

“Now therefore I, Jim Doyle, Governor of the State of Wisconsin do hereby recognize and commend Frederick E. Mohs for his honorable service to the State of Wisconsin and the University of Wisconsin System.”

Resolution of Appreciation: Frederic E. Mohs

Presenting Resolution 8853, Regent Gottschalk noted Regent Mohs’ integrity, character, wit, conservatism and love of a good debate, as well as his perfect attendance record at all board and committee meetings during his tenure as a regent.

Resolution 8853: WHEREAS, Frederic E. Mohs has served the citizens of Wisconsin as a strong proponent and effective advocate for the state’s public university as a member of the University of Wisconsin System Board of Regents; and

WHEREAS, through his service as a member, vice chair and chair of the Education Committee, Regent Mohs sought a wide variety of input in helping to improve the excellence of teaching and learning at all UW campuses; and

WHEREAS, Regent Mohs was an integral member of the planning team for the Wisconsin Economic Summits and was instrumental in securing financial support via sponsorships for the summits, which have helped set Wisconsin’s economic agenda; and

WHEREAS, Mohs has worked tirelessly to improve the university’s relationship with the governor’s office and state legislators, especially legislative leaders and lobbyists, and has actively worked to help secure resources for the UW System; and

WHEREAS, as a member of the selection committees for the Regents Teaching Excellence Awards and Academic Staff Excellence Awards, Mohs helped to recognize the efforts of faculty and staff throughout the system; and

WHEREAS, he helped shape university policies and the face of UW campuses through his service on the Executive Committee, the Physical Planning and Funding committee, and as chair of the committee on Student Discipline and Other Student Appeals; and

WHEREAS, Regent Mohs has connected the board to Wisconsin communities as a member of the Research Park and Hospital Authority Boards; and has helped select vital UW System leaders as a member of special chancellor search committees for UW-Extension, UW-Green Bay, and UW-Madison; and

WHEREAS, Mohs is himself a testament to the value of a UW degree, having graduated from UW-Madison, where he also earned his degree from the Law School; and

WHEREAS, for seven years, Regent Mohs has championed and lived the Wisconsin Idea in his honorable service to the UW System and to the state;

BE IT THEREFORE RESOLVED, that the Board of Regents of the University of Wisconsin System highly commends Regent Emeritus Frederic E. Mohs for his notable tenure and distinguished service to the citizens of Wisconsin and the institutions of the UW System.

Expressing appreciation for the resolution, Regent Mohs referred to Regent Emeritus Jay Smith's comment on leaving the board that controversy is to be expected and that part of the university's job is to provide a forum for competing ideas. In that regard, Regent Mohs emphasized that "open, vigorous debate under-girded by the common objective of sustaining and improving a great university, should be expected and valued as part of our deliberations."

Turning to another important responsibility, Regent Mohs observed that regents are appointed by the Governor and confirmed by the Senate with the expectation that they will make tough decisions and reinforce the President and chancellors. It was his prediction that the board would in the future be required to make more hard and contentions decisions than has been the case for many previous boards. Noting that few regents come to the board with knowledge of higher education, he recommended studious reading of the *Chronicle of Higher Education* and other materials in order to become informed. He also recommended taking full advantage of opportunities to learn first-hand about shared governance and the operation of academic departments by visiting campuses and talking with faculty, staff and students.

Regent Mohs expressed special appreciation to President Lyall for her wisdom, good will, dedication and skill in advancing the UW as a well-functioning system; to Senior Vice President Marrett for her creativity, expert advice to the Education Committee, and special focus on the liberal arts; and to Assistant Vice President Nancy Ives for her excellent work on behalf of the Physical Planning and Funding Committee.

Commending the chancellors and provosts, he remarked that he could not imagine a better team to lead the UW's universities. In particular, he commended Chancellor Mash for his excellent leadership at UW-Eau Claire and Chancellor Messner for making the UW Colleges such a successful portal for people to begin their university studies.

Finally, he expressed appreciation for having worked with fellow regents, past and present, stating that: "You are really up against what I predict are going to be very difficult times; but you are good people, you work hard, and I have total confidence that you will carry this university forward and will succeed."

Noting that he and Regent Mohs had served together on the board for seven years, Regent President Marcovich observed that he has never known another regent who "gets it" better than Regent Mohs, who has always done his homework and whose insightful comments have made him one of the greatest assets to the board. While they did not agree on all subjects, he respected Regent Mohs' hard work and stated his appreciation for the great contributions he has made.

Regent Olivieri stated that, although they did not always agree, Regent Mohs had always been a gentleman and he appreciated the interaction with him over the years.

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Resolution of Appreciation: Robert C. Greenstreet

Presenting Resolution 8854, Regent Olivieri observed that Bob Greenstreet is a star on the UWM campus and in the city, having been at the center of efforts to meet expanding demand for the university's services, increased quality in the service it delivers, and expanded reach into the community.

The resolution was adopted by acclamation, with a standing ovation in honor of Interim Chancellor Greenstreet.

Resolution 8854: WHEREAS, Bob Greenstreet has provided steady and capable leadership for the past year as Interim Chancellor at the University of Wisconsin-Milwaukee; and

WHEREAS, Greenstreet has exceeded his charge by not only maintaining, but growing UWM's extensive contacts with the community during his tenure; and

WHEREAS, he has successfully worked with colleagues in pursuing on-campus action plans to keep UWM moving forward, including continued leadership with Milwaukee's K-12 schools and a campus capital campaign; and

WHEREAS, in addition to his interim position, Greenstreet continues to serve as an outstanding and widely respected dean and professor of the UWM School of Architecture and Urban Planning, where he has strengthened the campus' connections to the area by directly partnering students and faculty with the city to solve community challenges; and

WHEREAS, during his time at UWM, he has also served as the chancellor's deputy for campus and urban design, interim dean of UWM's Peck School of the Arts, as chair of the Milwaukee's City Plan Commission, and as a member of the Downtown Plan Committee; and

WHEREAS, in agreeing to serve as Interim Chancellor, Greenstreet has provided leadership for students, staff and state citizens who have benefited from his efforts to ensure that UWM continues to succeed as a major urban doctoral university and meet the diverse needs of Wisconsin's largest metropolitan area; and

WHEREAS, as a Wisconsin Idea Fellow, Greenstreet has accepted the position of city architect and planner for the City of Milwaukee, a position which will serve to regularize the beneficial partnership between the campus and the city in what he himself has called a natural extension of the Milwaukee Idea;

BE IT THEREFORE RESOLVED, that the Board of Regents of the University of Wisconsin System highly commends Robert C. Greenstreet for his admirable leadership and thanks him for his continued contributions to UWM, the citizens of Milwaukee and the UW System.

Regent President Marcovich stated appreciation for Dr. Greenstreet's contributions to architecture both in Milwaukee and nationally, and his excellent service as interim chancellor during a very important and difficult time.

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Resolution of Appreciation: Virginia Helm

Introducing a resolution for Virginia Helm for her service as interim chancellor of UW-Stevens Point, Regent Axtell noted that she had accomplished much in her short tenure; that she had received a citation of commendation from the State Senate; and that she is noted for her graciousness, sincerity, and for being equitable in her work with faculty, staff and students.

He then read a message from former Chancellor Tom George who observed that, as provost, Dr. Helm quickly established herself as a respected academic leader on campus and a vibrant member of the Stevens Point community. Her congenial personality and astute mind for academic issues, both with respect to problem solving and generating new ideas, was a great asset to him in his role as chancellor.

The following resolution was adopted by acclamation, with standing ovation in honor of Dr. Helm.

Resolution 8855: WHEREAS, Virginia Helm has compassionately served the community of the University of Wisconsin-Stevens Point as Interim Chancellor for nine months; and

WHEREAS, the UW-Stevens Point campus has thrived during her watch, having received \$500,000 in federal funding for a teaching and learning partnership; broken ground on a \$26 million addition to the Fine Arts Center; and sent three athletic teams to NCAA Final Four competitions, where the men's basketball team captured the national title; and

WHEREAS, Helm distinguished her tenure as Interim Chancellor by charging the campus to become environmentally sustainable in its educational programs, facilities, and operations; and

WHEREAS, Interim Chancellor Helm challenged the university community to reach a fuller potential through campus-wide book readings and discussions and encouraged campus civic participation through the national American Democracy Project;

WHEREAS, in accepting the position of Interim Chancellor, Helm took on an important challenge and supported a learning environment in which the Wisconsin Idea could be widely embraced;

BE IT THEREFORE RESOLVED, that the Board of Regents of the University of Wisconsin System

commends Virginia Helm for her dedicated and accessible leadership and thanks her for her substantial contributions to UW-Stevens Point and the UW System as a whole.

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Resolution of Appreciation: Virginia Coombs

Presenting Resolution 8856, Regent Randall noted the great pool of talent, resourcefulness and commitment to service among the UW's provosts, two of whom have recently been called upon to handle some of the university's most challenging responsibilities and who accepted those calls to service ably and with dedication.

The following resolution was adopted by acclamation, with a standing ovation in honor of Dr. Coombs.

Resolution 8856: WHEREAS, Virginia Coombs has effectively served as Interim Chancellor and guided the University of Wisconsin-River Falls through a difficult period in the campus' history; and

WHEREAS, she assumed the duties of Interim Chancellor to carry on the vision of Ann Lydecker, a dear friend and colleague; and

WHEREAS, when an upsetting racial incident during her tenure presented significant challenges to all UW-RF students, faculty and staff, Coombs brought the community together for important conversations that strengthened relationships across campus; and

WHEREAS, Coombs worked to support the continued success of students, faculty and staff and made special efforts to celebrate their achievements; and

WHEREAS, in accepting the position of Interim Chancellor, Coombs has helped UW-River Falls prepare for a continued tradition of excellence in the future;

BE IT THEREFORE RESOLVED that the Board of Regents of the University of Wisconsin System thanks Virginia Coombs for her leadership and welcomes her continued contributions to UW-River Falls and the UW System.

Regent President Marcovich expressed his appreciation to both provosts for jobs very well done.

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Resolution of Appreciation: Nancy J. Ives

Presenting Resolution 8857, Regent Gracz thanked Assistant Vice President Ives for her outstanding work on behalf of the Physical Planning and Funding Committee.

The resolution was adopted by acclamation, with a standing ovation in honor of Assistant Vice President Ives.

Resolution 8857: WHEREAS, Nancy J. Ives brought to the University of Wisconsin System knowledge, skills, and experience acquired during early days of her career at both the state Department of Health and Social Services and the Department of Natural Resources; and

WHEREAS, Ives has served the UW System in capital planning and budget roles for 18 years, serving since 1995 as Assistant Vice President, during which time she earned the trust of the Board of Regents for her knowledge, good judgment and integrity; and

WHEREAS, she has been responsible for developing 10 biennial capital budgets for the UW System and has secured authorization for more than \$2.2 billion in funding for 250 major capital projects and a multitude of other projects that addressed facility backlog and cyclic maintenance needs; and

WHEREAS, under her leadership, the UW System has witnessed a significant growth in the value of its facilities, from approximately \$3.2 billion in 1986 to the present-day value of \$6.6 billion; and

WHEREAS, Ives has been instrumental in establishing new lines of communication and good working relationships between the UW System, the state Department of Administration and its Division of State Facilities, and state legislators, instilling relationships of trust, fostering cooperation, and garnering strategic flexibilities to benefit the citizens of the state of Wisconsin; and

WHEREAS, Nancy has been very successful in providing direction to and securing funding for the UW Colleges, enabling the freshman-sophomore campuses to foster and build relationships with their local municipalities in support of higher education facility needs; and

WHEREAS, Ives maintained an impressive bipartisan relationship in serving under the leadership of four Republican governors and four Democratic governors;

BE IT THEREFORE RESOLVED, that the Board of Regents of the University of Wisconsin System highly commends and thanks Nancy J. Ives for her impressive service and notable contributions to the state of Wisconsin and the UW System, and wishes her all the best in her well-earned retirement.

Ms. Ives began by expressing appreciation to current and past members of the Physical Planning and Funding Committee for their commitment and service. In that regard, she recalled the dedicated work of committee chairs, including Frank Nikolay, Dr. Adolph Gunderson, Jonathan Barry, Greg Gracz and Fred Mohs.

Noting that her 36-year career included 30 years in the state building program, 18 of them with the university, she commended the dedicated physical planning and physical plant staff throughout the system, who do their best to maintain a \$7 billion investment, while being understaffed by one-third. She observed that she had been fortunate to work with leaders such as President Lyall and Paul Brown, former Vice President for Physical Planning, who also had served as secretary of the Building Commission for 15 years.

She urged members of the media to talk to people who feel very sincerely about public service as a career and ask them why they chose that field. In the physical planning area, she remarked, staff do not consider themselves simply as architects, engineers, or janitors. Rather, they understand that they are contributing to the built environment that supports higher education and that what they do is for the students.

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Wisconsin Technical College System Update

The board received a written update on the Wisconsin Technical College System.

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Report on the June 9th Meeting of the Hospital Authority Board

A written report on the June 9th meeting of the Hospital Authority Board was provided to the regents.

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REPORT OF THE PRESIDENT OF THE SYSTEM

UW-Milwaukee Presentation: Celebrating our Universe of Learning

Interim Chancellor Greenstreet began his presentation by remarking that, after the departure of former Chancellor Zimpher for the University of Cincinnati, UWM has continued to make substantial progress and will maintain the momentum of the past few years, thanks to a dynamic transition team that includes Provost John Wanat, deans, vice chancellors and other colleagues across the campus.

Stating that the campus is in good health, Dr. Greenstreet reported that enrollment was up three percent for fall 2003 and spring 2004, with the greatest increases in high-need areas. Nursing enrollment was up 16% and enrollment in health sciences increased by 14%. For fall 2004, freshman applications are up nine percent and freshman applications from students of color are up 12%.

However, he pointed out that growing enrollment numbers bring increasing challenges, such as the issue of where to house students, many of who seek a traditional college experience. While promising developments at the Kenilworth building and Columbia Hospital are moving ahead, they will take time to complete. There also is the issue of optimal overall enrollment, given limited resources and projected demographics, balanced against UW-Milwaukee's mission of access.

Turning to other areas, Dr. Greenstreet pointed out that research dollars from federal and other sources have increased by 48 % in the last five years and five percent in the last year. Successes in the last year included a \$5 million grant from the Carnegie Corporation for UWM to continue work in partnership with the Milwaukee Public Schools and other Milwaukee Partnership Academy organizations to improve teacher education. The Bill and Melinda Gates Foundation provided a \$17 million award to support a move to smaller high schools in Milwaukee Public Schools as part of the overall plan to improve student achievement in the city. In addition, the National Science Foundation allocated \$20 million over five years to improve mathematics achievement of students in Milwaukee Public Schools.

While these investments in young people will improve their academic preparation, Dr. Greenstreet continued, the question becomes how they will be able to afford college if costs continue to rise. To address that concern, fundraising has been focused on scholarships. There has been a 150% increase in contacts with potential contributors; submitted proposals have increased by 278%; and the amount requested has increased by 100%.

Noting that responses have been positive, he reported that this year's UWM Gives to UWM campaign exceeded its goal by 5%, while the number of donors increased by 5% as well. For the UWM annual campaign, there has been a 21% increase in dollars pledged and a 10% increase in the number of donors. Funds for first-ever athletic

scholarships have been raised, and there has been an 18% increase in planned gifts. The UWM Foundation's assets grew from \$33 million in June 2003 to \$39 million at present. All this activity, he observed, has primed the pump for a larger-scale future campaign.

Another area of progress, Dr. Greenstreet reported, is in the development of school pride and spirit, which involves feeling ownership in the campus and ultimately giving back to it. In that regard, he noted that the Student Association was recognized this year with the United States Student Association's Outstanding Campus Award, that the men's basketball team won the Horizon League championship for the first time in its history, and that the Black and Gold Committee continued to work on improving the student experience for those who follow.

Young alumni have notably increased their giving to the university, and the Collegium Society (UWM faculty and staff) increased their giving by 31% in a year with no pay raises.

The university also has helped promote pride in the Milwaukee community, he continued, noting the UWM played a role in creation of the newly announced Marcus Prize – a \$100,000 gift from the Marcus family every two years for a young architect of international promise to come to Milwaukee and apply his or her talents to the city's urban design challenges.

A critical sign of the university's vitality, Dr. Greenstreet remarked, are the 2,792 graduates at spring commencement, 46 at the doctoral level, who will boost the workforce of Wisconsin and bolster the state's future economic health.

In conclusion, Dr. Greenstreet stated that, in completing his term as Interim Chancellor, he had never felt more confident of UWM's future success as a premier urban research university. Pointing out that in 2007, 50% of the world's population will live in cities and that the growth in urbanization will continue, he observed that a university with a mission linked to the urban condition is positioned best to meet the resulting challenges to education, the economy, the environment, and quality of life.

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Remarks by Incoming Chancellor Carlos Santiago

Dr. Santiago began his remarks by indicating that it is a privilege for him to become part of so fine an institution as UW-Milwaukee and that he is grateful to Bob Greenstreet and the leadership team for continuing to move the university forward over the past year despite budget challenges.

Looking toward the future, he stated that the university's efforts will be focused around the theme "Access to Quality." While applications to UWM continue to reach record levels, he pointed out that access itself is not sufficient unless it is access to a quality education.

Explaining that quality refers to national institutional reputation, exceptional degree programs, and excellent research, he indicated that UWM must provide:

- Access for a diverse student population to exceptional academic programs;
- Access for the community to a rich array of intellectual and cultural programs;
- Access for the business community to research, services, and workforce preparation to further economic development in southeastern Wisconsin; and
- Access for government to quality research and innovation to meet state needs.

Within Milwaukee, he commented, UWM has a special responsibility in providing access to quality. As a public research institution in the economic heart of the state, the university must participate in transformation of the larger community, particularly in economic terms. UWM also must continue to work with the Milwaukee Public Schools to ensure that students are prepared for success and that teachers are fully proficient at teaching in an urban setting.

Within the university, he continued, ensuring quality means working with UWM's deans to identify and promote areas of excellence. To reinforce quality, he indicated that greater emphasis must be placed on bringing more research funding to support the university's programs and improvements in research must be balanced with enhancement of teaching excellence.

Commenting that UWM has a commitment to the community not often evident at similar institutions, Dr. Santiago pledged to continue and enhance those efforts. The university's greatest resource, he pointed out, is in people and their ability to think critically and creatively; to look at problems in new ways; and to come up with new solutions that have a widespread positive impact.

Noting that a recent poll indicated that research ranked as a low priority for the university among community members, he said that he would work to convince the community, through words and actions, that having a viable, major public research university is the best guarantee of a bright future for the city and the area.

In conclusion, Dr. Santiago said he already has learned that Milwaukee is a great community and UWM is an important part of it. He looked forward to what can be accomplished by working together.

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Thanks to Colleagues

President Lyall expressed special appreciation to Regent Mohs for his insistence on educational quality. Noting that he had been steadfast in demanding protection of quality educational experience for students, she stated the hope that the board would carry that commitment into the future.

She thanked Bob Greenstreet, Virginia Helm and Virginia Coombs for their excellent work in transitioning their institutions to new times. The UW is fortunate, she remarked, to have people of their level of talent and skill to call on in times of change.

Expressing appreciation to Nancy Ives for all she had done to provide the facilities needed to serve students well over the years, President Lyall also noted her contribution to jobs and economic growth for the state by all the university projects she had marshaled through the building process in her long career, adding around 2,000 construction jobs a year, many of them in smaller communities.

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New Voters Project

President Lyall introduced Stephanie Hilton, President of United Council, and Jessie Tokan, head of the New Voters project, noting that the 1960s demonstrated that students can be a very potent force when they participate in democratic processes.

Ms. Hilton reported that United Council will launch a state-wide campaign in the fall to get students out to vote. Partnering in this effort will be the New Voters Project, which will bring resources to the campaign, including organizers on most campuses.

Noting that she is a Wisconsin native and a graduate of UW-Madison, Ms. Tokan expressed particular pleasure about having the opportunity to bring the New Voters Project to the state. She explained that the project is a multi-state, non-partisan effort designed to increase voter participation among 18-24 year olds in the presidential election. Wisconsin was selected as one of six states to participate in the project and, to date, has been the most successful. Relationships have been developed with 52 campuses across the state, and the project is working with students, faculty and administration on all of the 26 UW campuses, as well as technical colleges and private institutions.

In the last presidential election, she indicated, 70% of senior citizens turned out to vote, while only 34% of 18-24 year olds went to the polls. Working with United Council, the New Voters Project planned to register over 125,000 new people to participate in the election. The effort then will be to turn them out to vote. Because of successes attained so far, she felt that the original goal of 85,000 new voters would be exceeded. About 52,000 of the targeted population are on college campuses. Nation-wide, the project will attempt to register one million young people.

As to why more young people do not vote, Ms. Tokan suggested that it might be because they are not asked to do so. In that regard, she noted that candidates seldom invest time and resources in young voters because they have a record of not turning out at the polls. By registering large numbers of young people, the New Voters Project hoped to show elected officials across the nation that this age group is a force to be reckoned with. Young people, she said, are not apathetic. Rather, they care deeply about education and other important issues but have not transferred those feelings into political participation. The project hoped to help accomplish that transfer in the election of 2004.

In that past semester, 12,000 students on college campuses in Wisconsin had been registered, along with 8,000 high school seniors. In addition to working with students,

the project hoped to engage faculty in voter registration education in the classroom and to engage administrators in providing access to institutional mechanisms that can be used to foster voter registration and mobilization.

Asking the regents for their support as well, she referred to a community voter registration effort to be launched in Milwaukee, involving business and community leaders, and to a pledge to help engage students in the political process that supporters were being encouraged to sign.

In conclusion, she indicated that, leading up to November, there will be 14 full-time paid campus organizers on UW campuses across the state to advance the voter registration effort in the most effective way possible.

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UW-Eau Claire Students Travel to France to Commemorate D-Day

President Lyall reported that 60 UW-Eau Claire students traveled to France to participate in activities to commemorate the 60th anniversary of D-Day. The Eau Claire Concert Choir performed for World War II veterans in Caen, which was the center of some of the fiercest fighting in 1944, and four members of the choir were selected to represent the United States in an international ensemble of musicians from World War II allied countries in a special performance at Omaha Beach. World leaders and World War II veterans attended the performance, which was broadcast live on French television.

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Advancing Rural Wisconsin Initiative

It was reported by President Lyall that Regent Burmaster, State Superintendent of Public Instruction, had announced her Advancing Rural Wisconsin Initiative that recognizes the common challenges faced by small rural school districts, including declining enrollments, rapidly rising property values, low median incomes, and large geographic boundaries. UW-Extension will participate in this initiative by preparing teams of students, teachers and community partners in each school district to conduct systematic local conversations around those local challenges. Feedback from these conversations will provide input for stakeholders and statewide rural advisory councils.

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ACTION ON ADOPTION OF CHARTING A NEW COURSE FOR THE UW SYSTEM REPORT

Regent Gottschalk, Chair of Charting a New Course for the UW System, began his remarks by thanking fellow regents, chancellors, provosts, students, faculty, staff and other participants for the great amount of time and effort they had devoted to the project.

He then summarized three reasons for the study. First, to provide an opportunity for new regents to become immersed in the issues and challenges to be confronted going forward; second, to provide a road map for the new president and chancellors on matters of importance for the university in the future; and third, to provide a document that can be used beneficially in interactions with the Legislature and Governor.

In conclusion, he thanked Susan Trebach, who has served as primary author of the report, and project staff who had contributed a great deal of time and effort above and beyond their normal duties.

Adoption of the following resolution was moved by Regent Gottschalk, seconded by Regent Axtell and carried on a unanimous voice vote.

Charting a New Course Report

Resolution 8858: That the Board of Regents adopts the report on Charting a New Course for the UW System; and

That the board hereby thanks all of the participants for the time and effort they devoted to the study and for the thoughtful and creative ideas that they contributed to this report and gives special thanks to Regent Guy Gottschalk and Senior Vice President David W. Olien who chaired and staffed the study with such diligence and dedication.

Regent President Marcovich expressed special appreciation to Regent Gottschalk for his excellent work in chairing the study. The next step, he said, will be to begin implementation as quickly as possible. This process had already begun with contributions from the report to the board's biennial budget deliberations.

Regent Davis inquired about what the plan would be to communicate the report and its recommendations to participants, other stakeholders and the public.

In response, Regent President Marcovich indicated that the report would be utilized by the board's standing committees to inform their deliberations in the months ahead and that other participants in the project would be involved in carrying out recommendations as well.

Vice President Weimer added that the report would be made into a publication that would be sent to participants, legislators, media, and others. It also would be distributed by the campuses to their stakeholders.

Using the Charting a New Course report as a departure point, Chancellor Mash commented on the possibility of future budget reductions, reading as follows from the executive summary: "If Wisconsin consciously decides at this time against all common sense that it must continue its trend of withdrawing public support to its public universities, then the UW System must shrink until its available resources are adequate to support a quality higher educational experience for those students that can enroll."

He recalled that in the mid-1980's, the UW System had to reduce enrollments to maintain quality and had done so successfully. However, he pointed out, the university now enrolls fewer students than it did 20 years ago. And, at this time when education is a growth industry for any state and for the country as a whole, the UW is considering the possibility of having to shrink again.

Noting that the 1990s brought \$100 million in base budget reductions, followed by a \$50 million reduction, and then the huge reduction in the current biennium, he remarked that the trend is unmistakable and that direction is a bad one for the state.

Turning to what could be done about the situation, the Chancellor said that it first will be necessary to draw the attention of leaders and the public at large to what these issues mean for Wisconsin's future. Polls continuously find that the people of the state love the UW System and think it is a great and healthy educational asset. Therein, he commented, lies part of the problem. From the outside, the UW looks like it is doing well and campuses continue to receive accolades. What is not being discussed, he pointed out, is what the UW is not doing and what the campuses have stopped doing in an effort to maintain quality in the face of reduced resources.

To make the case before decision makers and the public, he felt that a vision for the future must be articulated in terms of what the state can do if it has a powerful higher education system. At the same time, he felt it will be necessary to articulate clearly where Wisconsin is headed if the needed support is not forthcoming. In that regard, he noted that the state ranks 31st in the nation in the percentage of its adult population with college degrees, while Minnesota ranks in the top 10. The shrinking of the UW 20 years ago, he pointed out, must be seen as contributing significantly to this low ranking.

A public policy discussion is needed, he commented, on where this situation is headed. In that regard, he considered it important to talk about the fact that, with modest and predictable investment, the UW can educate more students, including those who did not enroll right out of high school. Many people in dead-end jobs or jobs that are in danger of elimination, he predicted, would come back to college if the university had the financial capacity to reach out and encourage them, make courses available when needed, and communicate a clear message that college is possible for them.

That kind of positive action, he stated, would produce brain gain in the best sense of the word by producing nurses, teachers, and others to work in areas of high need. Referring to the critical shortage of health care workers, he pointed out that the university can solve that problem with some additional investment so that the necessary faculty can be hired to teach the courses and supervise clinics for students.

As part of a positive vision for Wisconsin, he suggested recognizing the excellence of the UW System and advocating investment in it in order to make

Wisconsin the Education State. Noting that the relationship between tuition and financial aid is a basic policy issue that remains unsettled, he indicated that, with reasonable tuition increases, matched by financial aid and no further GPR cuts, the university could begin to move forward.

In conclusion, he reiterated the importance of using data and history to draw attention to the case for investing in the university to promote Wisconsin's future.

Regent Davis urged that an aggressive plan be developed to communicate what the UW provides to benefit the state and that the Board receive regular reports on implementation of the recommendations.

Regent Gottschalk noted that Regent President Marcovich, President Lyall and he met with the two legislative committees that oversee higher education and began a positive process of communication that will be continued in the future. This, he indicated, would be a vehicle for delivering the message that Chancellor Mash had stated and that echoes the spirit of the report.

Regent Rosenzweig suggested galvanizing the energy generated by the study in order to broaden the base of public support for investing in the university.

Regent Salas emphasized the importance of impressing upon decision makers the need to offset increasing tuition with financial aid in order to help low income students, as well as the importance of diversity efforts.

Thanking the Board for the opportunity to work on this important study, Senior Vice President Olien predicted there would be a grass roots effort on the part of faculty, staff and students to communicate with elected officials about the critical public policy issues set forth in the report.

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REPORT OF THE EDUCATION COMMITTEE

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

Report of the Senior Vice President for Academic Affairs

Enrollment Planning and UW-Milwaukee's Investment Plan - A Work in Progress

Presenting an overview of enrollment issues facing UW-Milwaukee, Provost John Wanat stated that the challenges UWM is facing is a challenge that comes from success.

Because of significant enrollment growth the last 5 years, housing, space issues, staffing needs, program evaluation and enrollment management issues will need to be addressed.

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UW System Strategic Plan on International Education

Associate Vice President Ron Singer reported UW System's goal is that 25% of bachelor degree recipients participate in a study abroad experience. The number of students participating in a semester study abroad experience varies dramatically by institution, but the actual percentage for 2002-03 was 9.2%. Nationally, Regent Olivieri stated, only 2% of all U.S. students have study abroad experience - almost twice as many female students as male students participate, with a significant under-representation of students of color. Regent Olivieri pointed out that we are moving in the right direction; however, maximizing the value of the presence of international students on UW campuses continues to be a challenge.

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Announcement of the Vilas Trust Proffer

Regent Olivieri expressed the committee's gratitude to the Vilas Trust for their generous gift of over \$5 million to UW-Madison and UW-Milwaukee for programs in the arts, humanities, social sciences and music.

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Report on Promotions and Tenure Designations

The committee approved faculty members who have been tenured, promoted and hired with tenure for 2004-2005.

Senior Vice President Marrett provided a demographic report on the race and gender of tenured faculty: 56% male, 44% female, 87% white, 13% minority.

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Program Authorization - First Reading: Ph.D. in Medical Informatics, UW-Milwaukee and the Medical College of Wisconsin

The committee heard the first reading of the Ph.D. program in Medical Informatics. A collaboration between UW-Milwaukee and the Medical College of Wisconsin, this program focuses on cognitive, information processing and communication aspects of medicine, emphasizing information sciences and technology. As an emerging field, there is a great deal of demand for this program in which graduates will be engaged in health care delivery focusing on sound practical application.

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Program Authorizations - Second Reading

The committee approved the following five programs for implementation:

UW-Parkside: B.S. in Management Information Systems;

UW-Parkside: B.A. in Digital Arts;

UW-Madison: M.S. in Occupational Therapy;

UW-Milwaukee: B.A. in Women's Studies; and

UW-Stout: M.S. in Manufacturing Engineering.

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UW System Appointment to the Natural Areas Preservation Council

A fourth and final UW System appointment was approved by the committee to the Natural Areas Preservation Council. This is a legislatively mandated advisory board to the Wisconsin Department of Natural Resources' State Natural Areas Program.

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Regent Olivieri moved adoption of the following resolutions by the Board of Regents as consent agenda items. The motion was seconded by Regent Axtell and it carried unanimously.

Acceptance of the Proffer from the Trustees of the William F. Vilas Trust Estate

Resolution 8859: 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 accepts the proffer made by the Trustees of the William F. Vilas Trust Estate for fiscal year July 1, 2004 to June 30, 2005, 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.

2004-05 Tenure Designations and New Tenured Appointments

Resolution 8860: That, upon recommendation of the respective Chancellors and the President of the University of Wisconsin System, the 2004-05 tenure designations and new tenured appointments, reported in the attached materials by institution, be approved.

UW-Parkside: Program Authorization (Implementation) B.S. in Management Information Systems

Resolution 8861: That, upon recommendation of the Chancellor of the University of Wisconsin-Parkside and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.S. in Management Information Systems.

UW-Parkside: Program Authorization (Implementation) B.A. in Digital Arts

Resolution 8862: That, upon recommendation of the Chancellor of the University of Wisconsin-Parkside and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.A. in Digital Arts.

UW-Madison: Program Authorization (Implementation) M.S. in Occupational Therapy

Resolution 8863: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Chancellor be authorized to implement the M.S. in Occupational Therapy.

UW-Milwaukee: Program Authorization (Implementation) B.A. in Women's Studies

Resolution 8864: 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 B.A. in Women's Studies.

UW-Stout: Program Authorization (Implementation) M.S. in Manufacturing Engineering

Resolution 8865: 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 implement the M.S. in Manufacturing Engineering.

Approval of Appointment to Natural Areas Preservation Council

Resolution 8866: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the appointment of Dr. Dennis Yockers, Associate Professor of Environmental Education at the University of Wisconsin-Stevens Point, as the fourth University of Wisconsin System representative to the Natural Areas Preservation Council.

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REPORT OF THE PHYSICAL PLANNING AND FUNDING COMMITTEE

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

UWM Presentation: Exploring Columbia/St. Mary's Facility to meet University and Community Needs

The Physical Planning and Funding Committee and the Business and Finance Committee met jointly to discuss a UW-Milwaukee presentation, *Exploring Columbia/St. Mary's Facility to Meet the University and Community Needs*.

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Report of the Assistant Vice President

Building Commission Actions

The Building Commission approved about \$41 million for various projects at their May meeting, Assistance Vice President Ives reported.

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Moved for adoption by the Board of Regents, Regent Gracz presented Resolutions 8867 – 8872 as consent agenda items. Seconded by Regent Randall, the motion carried unanimously.

UW-Green Bay: Authority to Convey Land to the Wisconsin Department of Transportation

Resolution 8867: That, upon the recommendation of the UW-Green Bay Chancellor and the President of the University of Wisconsin System, authority be granted to convey to the

Wisconsin Department of Transportation (WisDOT) a .79-acre parcel of arboretum land located at the intersection of Highways 54/57 and Bay Settlement Road, Green Bay, Wisconsin, for \$19,800.

UW-Madison: Authority to Construct a Biochemistry Spectrometer Laboratory Remodeling Project

Resolution 8868: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Biochemistry Spectrometer Laboratory Remodeling project at an estimated cost of \$213,000 Grants Funds.

UW-Oshkosh: Authority to Enter Into a Lease Agreement

Resolution 8869: That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, authority be granted to lease 27,360 square feet (SF) of office and support space at 717 W. Irving Street, Oshkosh, Wisconsin from the UW-Oshkosh Foundation.

UW-Stout: Authority to Expand the Campus Boundary and to Acquire Land

Resolution 8870: That, upon the recommendation of the UW-Stout Chancellor and the President of the University of Wisconsin System, authority be granted to expand the campus boundary and to acquire a .87-acre vacant parcel of land to develop a parking lot at a cost of \$80,800 Program Revenue Cash - Parking. The total cost includes the land cost of \$78,900 plus \$1,900 appraisal and closing expenses in accordance with the provision of Section 20.914 of the Wisconsin Statutes.

UW System: Authority to Construct Program Revenue Maintenance Projects

Resolution 8871: That, upon the recommendation of the President of the University of Wisconsin System, authority be granted

to construct various maintenance and repair projects at an estimated total cost of \$1,277,300 (\$97,000 Program Revenue Supported Borrowing (PRSB) – Facilities Maintenance and Repair, \$240,000 PRSB – Utilities Repair and Renovation, and \$940,300 Program Revenue Cash).

UW System: Authority to Construct Classroom Renovation/Instructional Technology Improvement Projects and Expand the Program Capacity

Resolution 8872: That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to: (1) construct various Classroom Renovation/Instructional Technology Improvement projects for the University of Wisconsin System, at an estimated total cost of \$4,114,945 (\$4,000,000 2003-05 General Fund Supported Borrowing and \$114,945 Classroom Modernization/Institutional Funds) and (2) expand the capacity of this program by utilizing Institutional and non-GPR funding sources on an as-needed basis.

Regent Gracz moved adoption of Resolution 8873. Seconded by Regent Amato, the motion carried with Regent Randall voting in opposition. While he supported the concept of the project, Regent Randall believed costs would be higher with a private developer.

UW-Madison: North Park Street Development

Resolution 8873: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to:

(a) enter into a ground lease with Park Street Properties I, LLC (the owner/developer) to allow construction of: a 139,000 gross square feet (GSF) office building and 335-stall parking ramp on UW-owned properties at 13-21 North Park Street and 8 North Murray Street (garage/fleet site), and a 15,000 GSF garage facility on a portion of current Parking Lot 51, located at 27 North Charter Street.

- (b) enter into a lease agreement with the owner/developer with options to purchase beginning in 2006 for:
a newly constructed 425 bed residence hall located on properties at 29-41 North Park Street and 101-103 North Park Street, the newly constructed office building and parking structure at 13-21 North Park Street and 8 North Murray Street, and the newly constructed garage facility at 27 North Charter Street

- (b) enable Park Street Properties I, LLC to connect these facilities to the central campus utilities and undertake landscaping and site work on adjacent university property in Murray Street and Murray Mall.

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REPORT OF THE BUSINESS AND FINANCE COMMITTEE

The report of the Business and Finance Committee was presented by the chair of the committee, Regent Bradley.

Higher Education Capital Financing Options

In joint session with the Physical Planning and Funding Committee, John Augustine, Managing Director and Christoph Muelbert, Vice President of Lehman Brothers Higher Education Group gave a presentation on the significant movement of public higher education institutions to issue their own debt with state support for public education. Wisconsin is one of two public systems that does not issue its own debt. With the cost of credit being compressed, this is an ideal time to pursue this opportunity further. Regent Bradley urged staff to continue working with Mr. Augustine and Mr. Muelbert in regard to these issues.

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Operations Review and Audit Update

Director of the Office of Operations Review and Audit, Ron Yates, stated that his office reviewed the extent of credit card debt among UW students as well as the different policies existing on various campuses on credit card solicitation. He noted that two thirds of university students have a least one credit card, which is slightly less than the average of all card holders. Studies indicate that more than 40% of UW students have a credit card balance of \$1,000 or more. Three of our UW institutions have adopted formal policies, while others have adopted informal practices aimed at limiting credit card solicitation. Regent Bradley pointed out that the committee agreed the campuses should

develop their own policies with the recommendation that credit card companies no longer provide gifts to students, while also providing additional education to students.

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UW System Trust Funds - Expansion of Terms: Sherman Property Trust Fund

Regent Bradley noted that UW-Colleges requested approval to expand the terms and conditions for the use of the Sherman Property Trust Funds to allow for scholarships for students at UW-Waukesha who study at the biological field station. A change in the wording in the resolution to allow only interest to be used for the scholarships rather than principle and interest was discussed by the committee. The trust is currently worth about \$570,000, which would fund three \$1,000 per year scholarships at the Field Station. On behalf of the committee, Regent Bradley moved adoption of Resolution 8874. Seconded by Regent Randall, the motion carried unanimously.

UW System Trust Funds Expansion of Terms: Sherman Property Trust Fund

Resolution 8874: That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin Colleges, the Board of Regents approves expanding the terms and conditions of the Sherman Property Trust Fund to permit the additional use of the interest from the Fund for scholarships for students taking classes in the disciplines taught at the Biological Field Station.

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Report of the Vice President

Vice President Debbie Durcan reported on three Legislative Audit Bureau audits that involved the UW System. It is expected that a confidential draft of the Administrative Audit will be received by the end of June, 2004.

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LAB Economic Development Audit

The Audit Bureau is contacting our Small Business Development Centers to obtain more information regarding the Economic Development Audit.

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DOA Fleet Reduction Plan

The Department of Administration has a fleet reduction plan statewide, with a targeted reduction of 160 vehicles for the UW System, which is about 10% of the total fleet system wide. Working with DOA to develop this reduction plan, staff have noted

that this would result in hardship for our campuses. UW institutions are concerned about the impact on the quality of student activities, plus cost and risk management implications.

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Utility Shortfall

Vice President Durcan reported that UW System staff sent a request to Joint Finance Committee regarding the utilities budget shortfall. The current projected data for the end of May indicates a shortfall of \$10.8 million.

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Impact of Gaming Contracts on UW

Vice President Durcan pointed out that President Lyall expressed concern to Secretary Marotta of the Department of Administration on the impact of the Supreme Court's decision on the Indian Gaming contract signed by the governor. Revenues pay \$100,000 per year for operating costs of UW-Superior's Aquaculture Demonstration Facility. If revenues are unavailable, the UW System is not in a position to reallocate funds for this. In 2001, the Board passed a resolution specifically stating the intent that the operation of the facility not be funded from the UW System's base budget.

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The following resolutions, approved by the committee, were presented as consent agenda items by Regent Bradley. The motion was seconded by Regent Gottshalk and it carried unanimously.

Proposed Amendment to Policies on Authorization to Sign Contracts

Resolution 8875: That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents amends Item 5 of Regent Policy Document 93-1:
Authorization to Sign Documents to read:

5. Grants, contracts, *leases except where paragraph 8 of this policy applies*, and agreements with private-profit making organizations, with the understanding that those in excess of \$500,000 require formal acceptance by the Regents prior to execution.

Proposed Amendment to Policies on Delegation of Responsibilities

to the Vice President for Finance

Resolution 8876: That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents amends Item 2 of Regent Policy Document 96-5: *Delegation of Responsibilities to the Vice President for Finance* to read:

Authority to sign contracts and documents for University purposes with a value under \$500,000.

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ADDITIONAL RESOLUTIONS

Salary Adjustment above 75% of the President's Salary and Executive Salary Adjustments

Adoption of the following resolution was moved by Regent Marcovich, seconded by Regent Richlen and carried on a unanimous voice vote.

Resolution 8877: That, upon the recommendation of the Regent President, 2003-04 base salaries for university senior executives and faculty and staff whose salaries will be above 75% of the UW System President's 2003-04 salary, excluding those employees whose employment contract holds to the contrary, be increased by 1% plus \$209 across-the-board effective July 1, 2004 or the appropriate contract effective date, to reflect the 2004-05 pay plan for university senior executives, faculty, and academic staff approved by the legislature's Joint Committee on Employment Relations.

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CANCELLATION OF JULY 8TH AND 9TH MEETINGS

The following resolution was adopted on a unanimous voice vote, upon motion by Regent Gracz, seconded by Regent Amato.

Cancellation of July 8th and 9th Meetings

Resolution 8878: That the meetings scheduled for July 8 and 9, 2004 be cancelled.

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RESOLUTION OF APPRECIATION TO UW-MILWAUKEE

Stating that it was a particular pleasure for him to present a resolution of appreciation to UW-Milwaukee, Regent Salas recalled that he had graduated from UWM in 1971, at a time when there were few Latino students on campus. It was heartening for him to note the progress that had been made in enrolling a more diverse array of students.

Regent Salas then presented the following resolution, which was adopted by acclamation, with a round of applause.

UW-Milwaukee: Resolution of Appreciation

Resolution 8879: WHEREAS, the members of the Board of Regents were pleased to accept the invitation to hold the board's June 2004 meetings at the University of Wisconsin-Milwaukee; and

WHEREAS, UWM has enriched the board's two days on campus through presentations on scholarships, access and quality, the proposed Columbia/St. Mary's facility, and Celebrating our Universe of Learning; and

WHEREAS, the board appreciates UWM's effort to host a presentation and reception at the Manfred Olson Planetarium; and

WHEREAS, the board is grateful for the generous hospitality extended by both Chancellor Carlos Santiago and Interim Chancellor Bob Greenstreet, as well as the entire UW-Milwaukee community;

BE IT THEREFORE RESOLVED that the Board of Regents hereby thanks the University of Wisconsin-Milwaukee for a positive, thought-provoking and rewarding experience.

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ELECTION OF OFFICERS OF THE BOARD OF REGENTS

President of the Board

Remarking that the university is at a crossroads, Regent Bradley noted that the upcoming year will see the hiring of a new president, recruitment of one or more new chancellors, and formulation of the 2005-07 biennial budget. Believing it best to maintain continuity of leadership, he nominated Regent Marcovich for re-election as President of the Board; and the nomination was seconded by Regent Amato.

Regent Axtell moved that nominations be closed and that a unanimous ballot be cast for Regent Marcovich. The motion was seconded by Regent Davis and carried on a unanimous voice vote.

Expressing appreciation for the Board's support, Regent President Marcovich predicted that the coming year would be very difficult but that the Board could accomplish what is needed by pulling together.

Vice President of the Board

For the reasons stated by Regent Bradley, Regent Pruitt nominated Regent Walsh for re-election as Vice President of the Board, and the nomination was seconded by Regent Amato.

Regent Axtell moved that nominations be closed and that a unanimous ballot be cast for Regent Walsh. The motion was seconded by Regent Pruitt and carried on a unanimous voice vote.

Secretary, Assistant Secretary, Trust Office and Assistant Trust Officers

Regent Gottschalk nominated the following for re-election: Judith Temby as secretary, Cheryle Goplin as assistant secretary, Deborah Durcan as trust officer, and Patricia Brady and Doug Hoerr as assistant trust officers. The nominations were seconded by Regent Davis.

Regent Axtell moved that nominations be closed and that unanimous ballots be cast for re-election of the above officers. The motion was seconded by Regent Salas and carried on a unanimous voice vote.

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CLOSED SESSION

The meeting was recessed at 11:00 a.m. and reconvened at 11:15 a.m., at which time the following resolution, moved by Regent Walsh and seconded by Regent Richlen, was adopted on a roll-call vote, with Regents Walsh, Salas, Richlen, Randall, Pruitt,

Olivieri, Mohs, Marcovich, Gracz, Burmaster, Bradley, Axtell and Amato (13) voting in the affirmative. There were no dissenting votes and no abstentions.

Resolution 8880: That, the Board of Regents recess into Closed Session, to consider annual personnel evaluations, as permitted by s.19.85(1)(c), *Wis. Stats.*, to confer with Legal Counsel regarding pending or potential litigation, as permitted by s.19.85(1)(g), *Wis. Stats.*, and to consider appointment of a Dean of UW-Marinette, as permitted by s.19.85(1)(c) & (f), *Wis. Stats.*

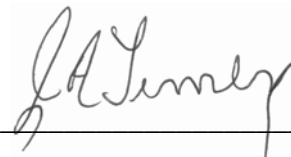
The Board arose from closed session at 1:00 p.m., having adopted the following resolution:

UW-Marinette: Appointment of a Dean

Resolution 8881: That, upon the recommendation of the Chancellor of the University of Wisconsin Colleges and the President of the University of Wisconsin System, Paula T. Langteau be appointed Dean of UW-Marinette, effective August 1, 2004, at an annual salary rate of \$92,000.

The meeting was adjourned at 1:00 p.m.

Submitted by:



Judith A. Temby, Secretary

