

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison
Held in 1820 Van Hise Hall
Thursday, December 8, 2005
10:30 a.m.

- President Walsh presiding -

PRESENT: Regents Axtell, Bradley, Connolly-Keesler, Crain, Gracz, Loftus, Pruitt, Randall, Semenas, Smith, Spector, and Walsh

ABSENT: Regents Burmaster, Davis, McPike, Rosenzweig, and Salas

- - -

DISCUSSION ON FINANCIAL AID AND TUITION

In opening remarks, President Reilly observed that, for generations of Wisconsinites, the UW has been their best option for a brighter future. For hundreds of thousands of people, it has represented a ticket to prosperity and it has always been accessible for them.

Today, he pointed out, many fellow citizens doubt their ability to afford a UW education for themselves or their children. They are concerned about being able to obtain grants or low-income loans to help subsidize their education, and they are concerned about the amount of debt they will have upon graduation. Worst of all, he emphasized, many Wisconsin families are not even talking to their children about a college education because they do not consider it a possibility.

Noting that there was a time when the entire country looked to Wisconsin and its university for big ideas, such as social security, workers' compensation and welfare reform, President Reilly stated that the time has come to get back to the tradition of thinking big.

An area in particular need of big ideas, he remarked, is that of tuition and financial aid. With the cost of higher education rising, a significant portion of the population is being priced out of the opportunity to go to college, depriving both the people involved and the state of the benefit of many educated, creative minds.

In addition, he continued, financial aid programs have not kept pace with tuition increases, meaning that more and more students and families must take out loans to pay for higher education, incurring levels of debt which many find too burdensome to undertake.

The President pointed out that increasing the number of baccalaureate degree holders in Wisconsin would lead to raising the state's per capita income, generating more tax revenues, and building a 21st century economy that would keep Wisconsin viable and vital.

He asked that the following questions be kept in mind: How to agree on a big idea regarding tuition and financial aid that can increase access, especially for those of letter means; how to work with the PK-12 system to get the big idea out to the audiences that need to hear it; how to use this idea to strengthen retention and brain gain efforts; how to develop a consensus on a set of principles to guide thinking toward realizing the big idea; how to excite the imagination of the public about it; and how to construct a compact with the Legislature and Governor to realize these goals.

In conclusion, the President stated his belief in the UW as the hope of Wisconsin's future and his hope that the dream of a university degree can be made a reality for all Wisconsin residents who want to work to earn one, regardless of wealth.

He then called on Associate Vice President Sharon Wilhelm for a presentation on financial aid.

Ms. Wilhelm began her remarks by noting that in the 2003-04 study on *Charting a New Course for the UW System*, the Board requested development of initiatives to expand access for low income students. Noting the economic benefits of obtaining a college education, she showed data to illustrate that students from the lowest income families are less likely to enroll in the UW and thus benefit from a bachelor's degree. The percentage of UW resident new freshmen from the lowest income quintile has declined from 15.8% in 1994 to 12.3% in 2004, whereas 20% of students would be in each income range if the new freshmen population reflected the state population. Noting an improvement from 11.1% in 2003 to 12.3% in 2004, she indicated that it is too early to know if this change reflects an upward turn or just a one-time variation but noted that the overall trend for enrollment of this group is downward.

Addressing the question of whether it is an academic or financial barrier that keeps low income students out, she showed a chart demonstrating that, in each ACT score range, students from low-income families have lower access rates than students from higher income ranges.

With regard to financial aid, Ms. Wilhelm referred to a graph that showed tuition and fees for resident undergraduates increasing more rapidly than the average state need-based grant. The largest state grant program, the Wisconsin Higher Education Grant

(WHEG) increased less than \$300 between 2001-02 and 2004-05, while average resident undergraduate tuition and fees increased approximately \$1500.

She then turned to average cost of attendance, which includes tuition, fees, room and board, books, and a modest amount for personal expenses as compared to the average need-based grant from all sources, including federal Pell grants. She presented a graph showing that the average cost of attendance has been rising faster than the average grant total. In 2004-05, the gap between the average need-based grant aid and cost to attend was about \$8,500. For some students, she said, the gap is filled by taking out loans and working, while, for others, the gap results in not attending college.

Between 2001-02 and 2004-05, the average Pell grant increased \$217 and the WHEG grant increased \$266, for a total of \$483, while average borrowing increased twice as much. Thus, even students whose family incomes are near the poverty level need to rely heavily on loans to finance their education.

With regard to the Board's *Charting a New Course* study, Ms. Wilhelm recalled that the Partnership with the State Subcommittee developed three financial aid goals -- access, retention and brain gain. From those discussions, the Board focused on the short-term goal of holding students in the lowest two income quintiles harmless for tuition increases and submitted this plan as part of the 2005-07 budget request. The Board's goals for the current year also identified financial aid as important in providing access and encouraging degree completion for low-income students.

To assist in identifying ways to address access for low-income students, she indicated that a working group was formed to examine bold and innovative financial aid practices used in other states and assess their feasibility for the UW System. The working group first developed a set of principles to provide a framework for a shared vision of financial aid policy:

- That socio-economic diversity enhances the learning environment and bolsters state economic growth;
- that student recruitment, retention, and degree completion are most successful when financial barriers are eliminated;
- that it is essential to provide a clear message to young people and their parents that college is possible and within reach; and
- that progress towards achieving financial aid goals should be monitored.

Through examining bold initiatives in other states, the working group identified three categories of the most effective programs:

- Need guarantee programs
- Pledge programs
- Large state grant programs

In addition, loan forgiveness and hold harmless programs in other states were examined.

Ms. Wilhelm then went on to describe these types of programs.

Need guarantee programs guarantee additional grant assistance to students below a certain income threshold to cover the cost of attendance. A “last grant” program, it is awarded after all other grants and scholarships have been taken into consideration and includes a work requirement on the part of the student. This model, used by the University of North Carolina-Chapel Hill, University of Virginia, University of Illinois, and the University of Minnesota, reduces or eliminates student loan debt and is easy for the public to understand. It would be a huge financial undertaking for a system as large as the UW.

Pledge programs target middle and high school students below a certain income threshold, asking them to sign a pledge that they will take certain high school courses, attain a certain grade point average and stay out of trouble. If they fulfill the pledge, they receive a scholarship that pays for tuition and fees. This model, used by Indiana and Oklahoma, has great potential to increase the number of low-income students who graduate from high school and go to college. The preparation component encourages high school students to become aware early of academic requirements necessary to attend college.

A large state grant program can make a positive impact on retaining low-income students by covering tuition and fees; but there may be a limited impact on increasing access as aid is distributed on the basis of Expected Family Contribution, a complex calculation that would be difficult to market to high school students. In Wisconsin, such a program would require a substantial increase in the funding level of the WHEG program to cover tuition and fees for the neediest students. States using large state grant programs include Minnesota, New York, Illinois, New Jersey, and Pennsylvania.

A hold harmless program was included in the UW’s 2005-07 budget request in order to hold students in the lowest two income quintiles harmless for tuition increases by providing a grant for the same dollar amount that tuition was raised. A new program of this type was recently announced by Virginia Tech and could be proposed again by the UW in the future.

Loan repayment and loan forgiveness programs are used in many states to meet workforce needs and provide a financial incentive for college graduates to stay in the state. Currently, Wisconsin has four loan forgiveness programs created to address specific state needs in such areas as nursing and teacher shortages. Some or all of the debt from these loans may be forgiven if the student stays in Wisconsin and works in the specified field after graduation. Loan repayment and forgiveness programs achieve the goal of encouraging students to graduate and become employed in the state. They reduce the fear of loan indebtedness, provide a financial bridge for students to stay in school and complete their degrees, and contribute to the state economy through development and retention of an educated workforce.

Ms. Wilhelm concluded her presentation by indicating that development of a financial aid plan for the UW System includes addressing the following questions:

- Who should be covered by the program?
- What should be covered by the program?
- Should the program include a student commitment, such as an academic requirement while in high school or a work requirement while in college?

She added that any financial aid program needs to be partnered with an aggressive campaign to inform low income students that college is possible so that they do not assume that higher education is beyond their financial reach.

Associate Vice President Freda Harris then made a presentation on funding options to improve access, retention and brain gain.

Noting that several public institutions, including the University of Connecticut, the University of Iowa and the University of Texas, use tuition to fund financial aid, she indicated that there are several reasons why such an option might be considered in Wisconsin.

- Wisconsin is below surrounding states in grant funding per student.
- Wisconsin continues to experience structural budget deficits, with an early estimate of \$600 million in deficits for 2007-09. Therefore, funding will continue to be tight.
- There are many competing needs for state resources
- Resident tuition at UW institutions continues to be below the median of peer institutions. UW-Madison is about \$1,900 below its peers for 2005-06, and the comprehensive universities are about \$1,100 below their peers.
- UW tuition is low when compared to peers in terms of the percentage of family income that is needed to pay for tuition. Moderate increases in tuition to fund financial aid could be accomplished while keeping tuition below the peer median.

With limited resources and intense competition for state funds, she suggested that the Board might wish to consider leveraging any request for financial aid by providing an additional source of revenue, such as tuition. With leveraging, financial aid goals could be met much sooner than by relying on state resources alone. Other options, including increased private fundraising, might also be considered.

Ms. Harris then described several tuition options, beginning with tuition funded financial aid. Which would increase tuition rates for all students and also would increase financial aid to hold down net costs for lower income students. Concerns about this approach would include the following:

- How the program would be administered and whether it would be possible to ensure that all money from the program would be retained from year to year to support financial aid;
- Whether the state would continue to fund the statutory link for tuition increases;

- Concern that higher tuition would result in “sticker shock” for low income students. A tuition funded financial aid program would need to be accompanied by an extensive campaign to inform low income students about it.

Noting that the Board currently does not have the authority to increase tuition rates to add funding for financial aid, Ms. Harris indicated that the Board could request legislative approval either through biennial budget requests or a statutory language change. A one percent increase to tuition in each year of the 2007-09 biennium would generate \$5.5 million in the first year and \$11 million in the second. That funding could be used either to start a new financial aid program or to supplement state funding for the existing program. A one percent increase would amount to between \$40 and \$60 per student in 2007-08.

As another option, she described tuition based on ability to pay, which would freeze tuition rates for lower income students and assess higher tuition to students from families above a certain income level. If the state maintained the statutory link for financial aid, the effect of the combined programs would be a decrease in the gap between need and grant funding for the neediest students. This option, she noted, would be another way to fund a hold-harmless program. Because the Board currently has the authority to set different tuition rates by income level, the proposal could be implemented as soon as the 2006-07 year.

Such a program, she explained, could be implemented so as to ensure that tuition remained below the peer median for all students, including those with greater ability to pay. It also would remove some of the “sticker shock” associated with the tuition-funded financial aid option.

Concerns about this option might include a possible perception that it would be a “Robin Hood” approach. However, this would need to be balanced against the value of improving the socioeconomic diversity of the student body. In addition, students and financial aid administrators have expressed concern about a “funding cliff”, with as little as a single dollar being the deciding factor as to whether a student’s tuition is frozen or increased more than an average increase would have required. There also has been concern about students who, while legally dependent upon their parents, do not receive the “estimated family contribution”.

Other concerns relate to the ability to predict the impact of two-tiered tuition on the enrollment of middle and higher income students. No data is available since no other states have implemented such an approach, although California, North Carolina and Washington have considered it. There also would be questions relating to feasibility of implementing what could be an administratively difficult tuition program in a time of diminished resources and staffing. Finally, different tuition levels might be difficult for students to understand, necessitating a simple way to explain whose tuition would be frozen and whose would not.

A final tuition option in Ms. Harris’ presentation involved a nonresident tuition rollback. This would be a brain gain strategy that would involve reducing nonresident undergraduate tuition by setting it at three times the resident rate at all institutions except UW-Madison. This would cover the full cost of educating a nonresident student, plus

provide an amount equal to the current state share of the cost of educating a resident student, thereby providing a resident tuition subsidy.

This proposal would seek to make nonresident tuition at UW-Milwaukee, the Comprehensive Universities and the UW Colleges more affordable by bringing it closer to the level of peer institutions. UW-Madison already is close to the peer median for nonresident undergraduates. Increasing nonresident enrollments by about 250 of the more than 900 students that the UW has lost since 2001-02 would fully cover the cost of the tuition rollback. Additional enrollments beyond that level would add funding for institutions. Because nonresident enrollments are self-supporting, they would not negatively impact enrollment of resident undergraduates.

Such a plan, Ms. Harris noted in conclusion, would fit with the board's policy that "Nonresident rates should be competitive with those charged at peer institutions and sensitive to institutional nonresident enrollment changes and objectives."

President Reilly indicated that a discussion of the relationship of enrollments to these topics would be brought to the Board at the February meeting. In addition to the options presented at this meeting, he pointed out, there are other alternatives, such as cohort tuition, that may be considered.

Noting the importance of simplicity and clarity in the messages given to students and their families, he pointed out that a "Pledge" model conveys the simple message that if the student stays out of trouble and maintains a certain grade point average, the aid would be forthcoming. A "No Debt" model would be very expensive, covering room and board, as well as tuition and fees.

Regent Crain added that it is important for the message to be clear to the general public as well.

In response to a question by Regent Smith about the increase in the percentage of low income new freshmen between 2002 and 2004, Ms. Wilhelm indicated that there are more low income students taking the ACT, so it might be that they are hearing the message that college is possible despite income limitations. She cautioned, though, that it would be necessary to see if the percentage continues to climb, or if the increase simply reflected an anomaly in a downward trend.

In response to a question by Regent Loftus, Ms. Harris explained that a proposal to hold students in the two lowest income quintiles harmless for tuition increases was proposed in the 2005-07 budget request. The Governor added a substantial amount to the WHEG program in response to this request. Although it was cut in the legislative budget process, the Governor vetoed that cut.

Regent Loftus referred to an article in the *Atlantic Monthly* that identified increasing academic standards as a factor in limiting higher educational access for low-income students.

Ms. Wilhelm noted, however, that, even at the same ACT level, higher income students participate in college at a higher level than low-income students.

Regent Loftus indicated that the Regents could direct that the institutions admit more economically diverse classes.

President Reilly noted that the UW System as a whole has a higher representation of low-income students than does UW-Madison.

Regent Pruitt asked if there had been enough experience with the “Need Guarantee” and “Pledge” models to assess how well they have worked in other states. Ms. Wilhelm replied that, while there had been some successes, there had not been much experience with those models to date.

Regent Smith asked if tuition is tied to financial aid in other states, and Ms. Harris replied that such is the case in Connecticut, Iowa and Texas, for example. In these models, part of the financial aid is funded by tuition.

Regent Semenas inquired about retention rates for lower income students, to which Ms. Wilhelm responded that, while retention rates for these students in Wisconsin had not been analyzed, national information indicates that low-income students are not retained as well as others and that this result is thought to be financially related. Regent Semenas urged that retention of these students be a key goal.

Regent Spector asked if family assets are part of the computation in income-based tuition models, and Ms. Harris replied in the negative. Ms. Wilhelm added that federal financial aid computations take family assets into consideration.

In response to a question by Regent Spector as to whether there have been complaints about the fairness of existing financial aid programs, Ms. Wilhelm said that in her experience the major concern was need for more aid, rather than inequitable distribution. Connie Hutchinson, Executive Director of the Higher Educational Aids Board concurred, adding that a standard federal formula is used and complaints generally are not received.

Regent Bradley asked if there is data on whether grants or loans achieve better results for the students. Given that low-income families are debt-averse, Ms. Hutchinson remarked that it would be better to provide grant aid, especially early in the college career. After the first two years, she thought they might be more willing to take out loans.

Regent Loftus commented that there is a perception in the Legislature that campuses are becoming elite institutions due to increasingly high academic standards. If that perception could be changed, he felt it would go a long way toward improving relationships.

While UW-Madison had not increased its admission requirements, Chancellor Wiley said that, due to strong competition for available spaces, those who are accepted increasingly have high class ranks and grade point averages.

Chancellor Markee added that UW-Platteville’s admission standards and student profile have not changed in 10 years.

In response to a question by Regent Smith as to next steps, President Reilly indicated that staff would put options together with their potential effects in a format for potential action by the Board.

Regent Crain noted the importance of making sure that all qualified students have access to a UW education.

Regent Pruitt asked if data is available for neighboring states to see whether Wisconsin has fallen behind in serving lower income students, and Ms. Wilhelm replied that such information could be obtained.

Noting many families do not have the financial means to pay college costs, Regent Semenas stated the importance of keeping tuition low and providing financial aid so that students can fulfill their dreams. Students are having to work more, he pointed out, because they do not receive enough aid to cover tuition and fee costs; and lower income students are not graduating at desired rates. Because of community perceptions that colleges are becoming more elite, he urged that universities advertise to let people know what is available and that a pro-active stance be taken in communicating the need for more financial aid to the Governor and Legislature. It is important, he said, to have socio-economic diversity on campus.

Regent Spector observed that having worked while in college was a strong predictor of success in people that he had hired over the years. He felt that work and loan repayment requirements help young people develop a sense of responsibility and motivation.

In response to a question by Regent Walsh, Ms. Wilhelm indicated that the state contributes \$60 million per year to grant funding.

Regent Loftus asked if first generation college students would be in the lower income categories or would be GI Bill recipients, and Ms. Wilhelm replied that data on those points had not been collected.

In response to a question by Regent Walsh, Chancellor Wiley said that a large number of students come to UW-Madison from the technical colleges. There is a joint admissions program with Madison Area Technical College and no need for students to apply for transfer.

Regent Randall recalled that the Private Industry Council had a college fair attended by almost all the UW institutions and 200 students. He pointed out the need to inform families about financial aid and help them to compare packages, noting that many Wisconsin students go to out-of-state schools because they receive attractive looking packages. A number then return because of unanticipated high costs, but some never come back. If costs and benefits were explained to them more clearly, he thought that families could make better decisions and the UW could attract more first generation students.

Regent Walsh asked about comparisons with other systems, and Ms. Wilhelm replied that Minnesota is often used as a comparison because the populations of the two states are similar. In terms of financial aid, Minnesota provides a great deal more, mostly in GPR.

Chancellor Keating noted that over half of the male high school students and 40% of the female students do not take the ACT and thus remove themselves from consideration for college admission.

Regent Randall added that there is a program to encourage more Milwaukee students to take the ACT or SAT. More males do not take the tests, he observed, because they are discouraged from doing so by their peers; and those who do take them often do

so in order to become eligible for athletic scholarships. Historically Black colleges, he pointed out, do not require the ACT or SAT. Currently, African American students score 15-16 on the ACT, Latino students score 14-15, and white students score 21-22. Efforts to improve performance on these tests are ongoing and meeting with some success.

Regent Loftus noted that well-endowed universities find ways to fund students that they admit, regardless of their financial means.

When seeking more GPR dollars for financial aid, Chancellor Markee pointed out, the importance of this aid for the state's workforce development should be emphasized.

Regent Bradley stated that it is the moral obligation and public duty of the state to provide educational opportunity for Wisconsin children and to make it possible for lower-income students to have access to such opportunities. In the knowledge economy, he pointed out, a college education is becoming ever more important for success.

Regent Connolly-Keesler noted that, while many hundreds of scholarships are available, there is no clearinghouse for them. She suggested that a clearing house be established and that a program be proposed to provide a state match for privately funded scholarships.

In response to a question by Regent Spector, Regent Loftus indicated that the legislative perception is that public colleges are becoming places for the wealthy and that academic standards are so high that many graduates would not be admitted if they applied today. There is a feeling that colleges want a student body that will improve their rankings.

Senior Executive Vice President Mash noted that the matter is complex because fewer students are being enrolled now than 20 years ago. Therefore, campuses are becoming more selective because the number of applicants is growing, but enrollments are not.

Regent Loftus stated that the UW's role should be to grow to meet the needs of Wisconsin students.

With regard to tuition-funded aid, Regent Semenas expressed concern that this type of program would tell the Legislature that students should pick up more of the burden of educational costs.

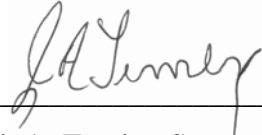
Concluding the discussion, President Reilly indicated that on February 12, 2006, Wisconsin would hold an event called "College Goal Sunday", part of a statewide volunteer program to help college-bound students and their families accurately complete the Free Application for Federal Student Aid, which is required for any student to receive federal or state aid. Research has shown that applying for financial aid is a major hurdle for low-income students and families. This program was designed to help them clear that hurdle and move a step closer to higher education.

The Wisconsin Association of Student Financial Aid Administrators received a grant from the Lumina Foundation to conduct "College Goal Sunday" at 12 sites throughout the state. The program is open to any college-bound student, regardless of age.

He commended the financial aid administrators of obtaining the grant, and putting on this beneficial program.

Upon motion by Regent Gracz, seconded by Regent Crain, the meeting was adjourned at 12:20 p.m.

Submitted by:



Judith A. Temby, Secretary

G:regents/minutes;December 8, 2005BOR(Thur).doc

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison
Held in 1820 Van Hise Hall
Friday, December 9, 2005
9:00 a.m.

- President Walsh presiding -

APPROVAL OF THE NOVEMBER 10 AND 11, 2005 MEETINGS OF THE BOARD 14

REPORT OF THE PRESIDENT OF THE SYSTEM..... 14

PRESENTATION BY UW-MADISON: UNIVERSITY OF WISCONSIN DIGITAL COLLECTION 14

NATIONAL PERSPECTIVE ON PUBLIC HIGHER EDUCATION AND STATE COMPETITIVENESS: PRESENTATION BY C. PETER MAGRATH, PRESIDENT OF THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND GRANT COLLEGES 16

REPORT OF THE PRESIDENT OF THE BOARD 18

REPORT ON THE NOVEMBER 29, 2005 MEETING OF THE WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD 18

REPORT ON THE DECEMBER 7, 2005 MEETING OF THE HOSPITAL AUTHORITY BOARD 18

DISCUSSION OF FINANCIAL AID AND TUITION 18

REPORT OF THE PRESIDENT OF THE SYSTEM..... 19

 INSIDE WISCONSIN SPORTS 19

**PROGRESS REPORT OF THE COMMITTEE REGARDING FACULTY/ACADEMIC STAFF
DISCIPLINARY PROCESS 19**

REPORT OF THE PHYSICAL PLANNING AND FUNDING COMMITTEE 20

 UW-MADISON CAMPUS MASTER PLAN PRESENTATION 20

 REPORT ON APPORTIONMENT OF ENERGY COSTS FOR THE UW SYSTEM..... 20

 NAMING THE UW-LA CROSSE STADIUM THE “ROGER HARRING STADIUM” 20

 UW-MADISON: AUTHORITY TO CONSTRUCT UNDER THE TERMS OF A LAND AGREEMENT AND ACCEPT
 THE COMPLETED FACILITY AS A GIFT-IN-KIND 21

 UW-MILWAUKEE: AUTHORITY TO LEASE SPACE FOR WUWM MILWAUKEE PUBLIC RADIO STATION.... 21

 UW-PLATTEVILLE: AUTHORITY TO INCREASE THE BUDGET OF THE DAIRY CENTER IMPROVEMENT
 PROJECT..... 21

 UW-WHITewater: APPROVAL OF THE DESIGN REPORT AND AUTHORITY TO CONSTRUCT AND INCREASE
 THE BUDGET OF THE CONNOR UNIVERSITY CENTER ADDITION AND REMODELING PROJECT 21

 UW SYSTEM: AUTHORITY TO CONSTRUCT A MAINTENANCE AND REPAIR PROJECT 21

 UW SYSTEM: RANKING CRITERIA FOR GPR MAJOR PROJECTS 22

 UW-STEVENS POINT: AUTHORITY TO LEASE SPACE FOR TEMPORARY UNIVERSITY CENTER FUNCTIONS 22

 BUILDING COMMISSION ACTIONS 22

 CONSENT AGENDA..... 22

 UW-Madison: Authority to Construct Under the Terms of a Land Agreement and Accept the Completed
 Facility as a Gift-in-Kind..... 22

 UW-Platteville: Authority to Increase the Budget of the Dairy Center Improvement Project..... 23

 UW-Whitewater: Approval of the Design Report and Authority to Construct and Increase the Budget of the
 Connor University Center Addition and Remodeling Project 23

 UW System: Authority to Construct a Maintenance and Repair Project 23

 UW System: Ranking Criteria for GPR Major Projects 24

 UW-Stevens Point: Authority to Lease Space for Temporary University Center Functions 24

 UW-LA CROSSE: NAMING THE UW-LA CROSSE STADIUM THE “ROGER HARRING STADIUM” 24

 UW-MILWAUKEE: AUTHORITY TO LEASE SPACE FOR WUWM MILWAUKEE PUBLIC RADIO STATION.... 25

REPORT OF THE BUSINESS AND FINANCE COMMITTEE 25

 CONTINUED REVIEW OF PERSONNEL POLICIES AND PRACTICES – FIXED TERM CONTRACTS 25

 UW-MADISON PRESENTATION ON CONFLICT OF INTEREST REPORTING 26

 AUDIT ISSUES 26

Review of Audit Scope for Segregated Fees..... 26

Quarterly Status Update: Operations Review and Audit..... 27

 TRUST FUND ISSUES 27

Follow-up on Investment Forum..... 27

 BUSINESS, FINANCE, AND AUDIT COMMITTEE GOALS AND PLANS FOR 2005-06..... 27

 OVERVIEW OF DIFFERENTIAL TUITION 27

 UW-WHITewater FOOD SERVICES CONTRACT EXTENSION..... 28

 REPORT OF THE VICE PRESIDENT..... 28

Big 10 Business Officers Meeting..... 28

Veterans Remissions..... 28

TABOR..... 28

ACE Invoices 28

 TRUST FUNDS 28

 CONSENT AGENDA..... 29

 Conflict of Interest Reporting..... 29

 UW-Whitewater: Food Service Contract Extension..... 29

REPORT OF THE EDUCATION COMMITTEE..... 29

 FOLLOW-UP DISCUSSION: ALL-REGENT SESSION ON FINANCIAL AID AND TUITION..... 29

 REPORT OF THE SENIOR VICE PRESIDENT FOR ACADEMIC AFFAIRS 30

Cultivating Excellence: The University of Wisconsin-Madison's Challenging Undergraduate Experience 30

Review of 2007-09 Sabbatical Guidelines and Announcement of 2006-07 Sabbatical Assignments... 30

ADDITIONAL RESOLUTIONS **30**

CANCELLATION OF JANUARY 2006 MEETINGS 30

RESOLUTION OF APPRECIATION TO UW-MADISON..... 31

MEMORIAL RESOLUTION: DR. H. RUPERT THEOBALD..... 32

CLOSED SESSION..... **33**

Authorization to Appoint: Chancellor, University of Wisconsin Colleges and University of Wisconsin-Extension..... 34

Authorization to Appoint: Dean, UW-Rock County 34

Contract with UW-Madison Head Football Coach..... 34

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

Madison, Wisconsin

UW-Madison
Held in 1820 Van Hise Hall
December 9, 2005
9:00 a.m.

- President Walsh presiding -

PRESENT: Regents Axtell, Bradley, Connolly-Keesler, Crain, Davis, Loftus, Pruitt,
Randall, Semenas, Smith, Spector, and Walsh

ABSENT: Regents Burmaster, Gracz, McPike, Rosenzweig, and Salas

- - -

Approval of the November 10 and 11, 2005 Meetings of the Board

There being no additions or corrections, the minutes of the November 10 and 11,
2005 meetings stood approved as distributed.

- - -

REPORT OF THE PRESIDENT OF THE SYSTEM

Presentation by UW-Madison: University of Wisconsin Digital Collection

In introductory remarks, President Reilly remarked that the vast resource of
knowledge provided by campus libraries and online archives is an important part of the
UW's commitment to sifting and winnowing for the truth.

Chancellor Wiley then introduced Kenneth Frazier, UW-Madison's director of libraries and co-director of the online archives, and Patrick Wilkinson, UW-Oshkosh library director and co-director of the project.

Mr. Frazier began by stating that the vision is for UW libraries to behave as a single library in providing broad access and leveraging resources. As part of a shared commitment to innovation, the digital collection was created, currently consisting of 50 collections and one million digital objects. The collection has been growing exponentially, almost doubling every year since its creation in 2001.

The project has provided growing opportunities to work with faculty in developing the collections, which are freely available to the public and, he pointed out, a wonderful example of the Wisconsin Idea in action. Creating the collection also has forged deeper ties with students, staff, and alumni, all of whom have been involved in this innovative work.

Mr. Wilkinson observed that the digital collection has taken the Wisconsin Idea world wide. Noting that the collections tell the story of Wisconsin and its people, he showed examples of historic letters and photographs, noting that oral histories also are included in the collection.

Categories include: a collection related to ecology and natural resources, ranging from photographs of Aldo Leopold to detailed technical documents; a history of Wisconsin agricultural and rural life, including maps, historic publications, and photographs; a collection of government documents from the time of the founding of the state to the present; a collection representing Wisconsin business and industry; and a collection of Wisconsin arts and culture, including photographs, magazines, and folk songs.

Selection criteria for inclusion in the digital collection are: Direct classroom application; building on partnerships and strengths in the UW and the state, including faculty, libraries, and the State Historical Society; and consonance with the vision of one system, one library.

In discussion following the presentation, Regent Walsh inquired about national issues regarding collaborations. In response, Mr. Frazier observed that the trend is to greater standardization. In that regard, Google currently is the most popular gateway used by people to find content. Mr. Wilkinson added that it is important to learn how to harness this type of technology to represent the university's values.

Thanking the presenters, President Reilly noted that Board of Regents' records also are being added to the digital collection in order to make these historic documents easily available to interested citizens.

The President closed with a quote from novelist Doris Lessing, who said: "With a library you are free, not confined by temporary political climates. It is the most democratic of institutions because no one – but no one at all – can tell you what to read and when and how." Because of the UW librarians' good work, he pointed out, there will be more options than ever for perusing these materials.

-

**National Perspective on Public Higher Education and State Competitiveness:
Presentation by C. Peter Magrath, President of the National Association of
State Universities and Land Grant Colleges**

In introductory remarks, President Reilly noted that Dr. Magrath has served as President of the National Association of State Universities and Land Grant Colleges since 1992. As CEO of the nation's oldest higher education association, he represents member institutions in Washington D.C. and in educational settings around the country on issues of importance to the higher education community. Dr. Magrath served as President of the University of Missouri System from 1985-1991 and as President of the University of Minnesota from 1974-1984.

More recently, he organized the Kellogg Commission on the Future of State and Land Grant Universities, consisting of 27 current and former college and university presidents. This commission promoted an agenda to reconnect public higher education to its roots throughout the country.

On January 1, 2006, Dr. Magrath planned to move from the presidency of NASULGC to become Senior Advisor to the College Board.

Noting that Dr. Magrath is much respected and admired throughout higher education, President Reilly thanked him for taking the time to speak to the Board at this meeting.

Dr. Magrath pointed out first that higher education is a "brain business" that has everything to do with economic growth, both nationally and in Wisconsin. In that regard, he remarked that a better compensation system is in the interest of the people of Wisconsin because the state needs a competitive university to promote economic development.

With those thoughts in mind, Dr. Magrath made the following observations:

- The national fiscal environment for higher education is and will remain tough, requiring more resources to be generated by universities themselves.
- Economic development is critical to improving the quality of life. Higher education contributes to economic growth by educating students and conducting research.
- The university operates in a market economy and needs entrepreneurial, smart executives to be successful. Such people are scarce and highly prized.
- To remain competitive in the national economy, Wisconsin needs the best available talent to head its universities. At this time, all campus chancellors are compensated significantly below the median of peers.

Dr. Magrath then made the following suggestions:

- Develop of a plan to bring university executives to the median of Midwest universities. In that regard, he noted the need to be competitive with Minnesota, which strongly promotes economic development.
- Conduct a public education effort to promote understanding and support for the importance to the state of competitive salaries.
- Phase increased compensation over two or three years.
- Ensure transparency and openness in compensation for top leaders

In conclusion, Dr. Magrath reiterated that the interests of the State of Wisconsin require a strong university system to serve the economic and social needs of its people. To provide the necessary leadership, competitive compensation is required.

In discussion following the presentation, Regent Loftus inquired about service on boards by university presidents. Dr. Magrath observed that the trend is toward more openness and disclosure of such memberships.

In response to a question by Regent Smith, Dr. Magrath noted that Wisconsin is not a poor state and commented that it would not be unrealistic to expect that university leadership compensation should be close to the median.

Regent Crain asked if the business community could be helpful in explaining the need for competitive salaries to the public, and Dr. Magrath replied in the affirmative, noting that business understands issues of competitiveness and could be a great ally in that regard. While Wisconsin traditionally has been low in terms of compensation, he suggested that the enthusiasm of the people for their university should help to open the door to better understanding of this need.

Regent Pruitt pointed out that 12 years previously Minnesota and Wisconsin had been even in baccalaureate degree production but that now Wisconsin had fallen considerably behind. He asked how competitive compensation could affect the effort to close that gap.

Dr. Magrath noted that the two states are very similar in geography and population. While new faculty are hired at competitive salaries, slippage can occur as they move through their careers, making them targets for outside offers.

Regent Bradley asked Dr. Magrath to comment on the competitive environment for top university executive positions, given a cost of at least \$100,000 when a CEO leaves.

Dr. Magrath replied that the competitive market is tough, that talented leaders are in high demand, and that they are subject to intensive recruitment from other institutions. Noting that it is disruptive and costly when a CEO leaves, he added that search firms are expensive and that the cost can often be higher than \$100,000.

Regent President Walsh observed that the challenge is to convince the public and decision makers that a more competitive compensation system is in the best interest of the state as a whole and that there is a direct correlation between per capita income and the number of baccalaureate degrees in the population.

Dr. Magrath replied that he favors anecdotes as a means of personalizing examples of what effective leadership has meant to a community.

In response to a question by Regent Walsh as to how Minnesota decision makers became convinced of the importance in investing in their leaders, Dr. Magrath noted that Minnesota has always had a deep commitment to education and that perhaps strong business support helped to prompt the state's willingness to invest. Wisconsin's salaries, he added, have a long-term pattern of lagging behind Minnesota's.

Regent Loftus inquired about whether there is a trend in hiring more university leaders from outside academia. Replying in the affirmative, Dr. Magrath added that non-academic leaders can succeed very well if they have a value system centered on the importance of higher education.

President Reilly thanked Dr. Magrath for his valuable national perspective.

- - -

REPORT OF THE PRESIDENT OF THE BOARD

Report on the November 29, 2005 meeting of the Wisconsin Technical College System Board

A written report on the November 29th meeting was provided.

-

Report on the December 7, 2005 meeting of the Hospital Authority Board

A written report on that meeting was provided.

-

Discussion of Financial Aid and Tuition

Stating his pride in the Board's substantive discussion of financial aid and tuition the preceding day, Regent President Walsh noted that addressing matters of student access is among the Board's most important responsibilities.

Referring to legislative press releases issued in response to that discussion, Regent Walsh emphasized the need for dialogue with legislators and others on these core issues. He stated that it is the board's challenge to begin that dialogue and that he would make every effort in that regard.

- - -

REPORT OF THE PRESIDENT OF THE SYSTEM

Inside Wisconsin Sports

Continuing his report, President Reilly called attention to the January edition of *Inside Wisconsin Sports*, which included several articles of particular interest. One of them described how Commissioner Gary Karner and his staff elevated the Wisconsin Intercollegiate Athletic Conference to one of the premier Division III conferences in the country. Another reported on the success of UW-Eau Claire athletes, from golf to cross country to academics. A third article described recent inductions into the Wisconsin Athletic Hall of Fame, including UW-Madison Head Boxing Coach John Walsh, father of Regent President David Walsh, whose talent produced a Badger dynasty in that sport over the course of a 23 year career.

- - -

PROGRESS REPORT OF THE COMMITTEE REGARDING FACULTY/ACADEMIC STAFF DISCIPLINARY PROCESS

Regent Spector, Chair, reported that the committee so far had met twice and continued to focus on the substance and speed of the disciplinary process employed for a person charged with or convicted of criminal behavior. The next meeting was scheduled for December 15th and the committee expected to complete its work in January.

Reforms and related matters being contemplated included:

- Self reporting of criminal behavior
- Separating criminal behavior into major and lesser crimes
- Possible suspension without pay in certain cases
- Speeding up the disciplinary process for serious crimes
- Maintaining shared governance participation
- Harmonizing just cause considerations with the changes being contemplated

Thanking the committee and others for their input and participation, Regent Spector expressed particular appreciation to Russ Whitesel and Mary Mathias, of the Legislative Council; Pam Matthews, assistant to Representative Sue Jeskewitz; and representatives of the American Federation of Teachers, the Association of UW Professionals, and the Academic Staff Professional Representation Organization for their ongoing advice and counsel.

- - -

REPORT OF THE PHYSICAL PLANNING AND FUNDING COMMITTEE

Regent Crain presented the Committee's report.

-

UW-Madison Campus Master Plan Presentation

The Physical Planning and Funding Committee met jointly with the Business, Finance and Audit Committee to hear a presentation of the UW-Madison Master Plan.

Chancellor John Wiley introduced Alan Fish, Associate Vice Chancellor for Facilities Planning and Management, who presented a campus plan that supports recommendations for sustainability, student life, buildings and design guidelines, open space, transportation, utilities, and community, academic and research connections. The plan is long-term, looking 20 years into the future, and is based on creative uses of existing space.

-

Report on Apportionment of Energy Costs for the UW System

Associate Vice President Freda Harris reported that between 1999 and 2005 energy costs increased 68%. During that time GPR contributed about 74% of the increased costs, with the remainder coming from other sources. However, in 2005-07, GPR will cover only 51% of energy costs, with tuition revenue making up 49%. She pointed out that this biennium begins a fundamental shift in funding for energy cost increases. Historically, tuition revenue funded about 25% of the total increase; but in 2005-07, tuition will fund about 90% of the increase, or \$43 million. She also reported on energy conservation measures being undertaken.

-

Naming the UW-La Crosse Stadium the "Roger Harring Stadium"

This request was made in recognition of Mr. Harring's distinguished career as one of the most successful football coaches in the history of NCAA Division III football during his 31 years as head coach at UW-La Crosse. Regent Smith joined the committee discussion to explain that the local controversy over a previous naming had been largely resolved and that the city and most others now supported the naming. The committee approved the request for inclusion in the consent agenda.

-

UW-Madison: Authority to Construct Under the Terms of a Land Agreement and Accept the Completed Facility as a Gift-in-Kind

This request was for authority to construct a potato storage facility at the Hancock Agricultural Research Station under the terms of a land use agreement and to accept the completed facility as a gift-in-kind. The committee approved the request for inclusion in the consent agenda.

-

UW-Milwaukee: Authority to Lease Space for WUWM Milwaukee Public Radio Station

This request was for authority to amend an existing lease of space to increase the amount of space leased for the UW-Milwaukee Public Radio station WUWM at the Grand Avenue Mall. The committee approved the request for inclusion in the consent agenda.

-

UW-Platteville: Authority to Increase the Budget of the Dairy Center Improvement Project

This request was for authority to increase the budget for the UW-Platteville Dairy Center Improvement project due to recent price increases in fuel and building materials. The committee approved the request for inclusion in the consent agenda.

-

UW-Whitewater: Approval of the Design Report and Authority to Construct and Increase the Budget of the Connor University Center Addition and Remodeling Project

This request was for authority to construct the Connor University Center addition and remodeling project and to increase the budget to provide for utility upgrades within the Connor Center construction site in the Wyman Mall. The committee approved the request for inclusion in the consent agenda.

-

UW System: Authority to Construct a Maintenance and Repair Project

This request was for authority to construct a maintenance and repair project to replace fire alarm systems in two residence halls on the UW-La Crosse campus. The committee approved the request for inclusion in the consent agenda.

-

UW System: Ranking Criteria for GPR Major Projects

The committee reviewed the ranking criteria, which followed past practice, as the basis for prioritizing and categorizing GPR major projects for UW capital budget requests. The resolution was approved for inclusion in the consent agenda.

-

UW-Stevens Point: Authority to Lease Space for Temporary University Center Functions

The committee reviewed a request for authority for the Department of Administration to execute a lease for space to temporarily locate university center functions during the renovation of the Lee Sherman Dreyfus University Center. The resolution was approved for inclusion in the consent agenda.

-

Building Commission Actions

Assistant Vice President David Miller reported that the Building Commission approved about \$66 million for projects at its combined November/December meeting. Of that amount, \$14.5 million was general fund supported borrowing, \$49 million was program revenue, and \$2.5 million was gift funds.

-

Consent Agenda

Adoption of Resolutions 9100 – 9107 as consent agenda items was moved by Regent Crain and seconded by Regent Smith. Resolutions 9100 and 9102 were removed from the consent agenda at the requests of Regent Smith and Regent Randall respectively.

The question was put on Resolutions 9101 and 9103-9107, and they were adopted on a unanimous voice vote.

UW-Madison: Authority to Construct Under the Terms of a Land Agreement and Accept the Completed Facility as a Gift-in-Kind

Resolution 9101: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to execute a land use agreement between the Board of Regents and the Wisconsin Potato and Vegetable Growers Association, Inc. (WPVGA) to allow the association to construct a potato storage research building at the Hancock Agricultural Research Station, and to accept

the gift-in-kind of the completed new facility valued at approximately \$2,000,000.

UW-Platteville: Authority to Increase the Budget of the Dairy Center Improvement Project

Resolution 9103: That, upon the recommendation of the UW-Platteville Chancellor and President of the University of Wisconsin System, authority be granted to increase the budget of the Dairy Center Improvement Project by \$948,520 (\$948,520 General Fund Supported Borrowing – All Agency) for a total revised budget of \$2,775,520 (\$1,725,000 General Fund Supported Borrowing, \$948,520 General Fund Supported Borrowing–All Agency, and \$100,000 Institutional Non-GPR Funds).

UW-Whitewater: Approval of the Design Report and Authority to Construct and Increase the Budget of the Connor University Center Addition and Remodeling Project

Resolution 9104: That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the Connor University Center Addition and Remodeling project; and increase the project budget by \$612,000 (\$355,000 General Fund Supported Borrowing-Utilities Repair and Renovation and \$257,000 Program Revenue-Cash) for a total estimated cost of \$20,249,000, (\$8,854 General Fund Supported Borrowing, \$16,310,000 Program Revenue Supported Borrowing, \$390,000 Gift Funds, \$3,185,146 Program Revenue-Cash and \$355,000 General Fund Supported Borrowing-Utilities Repair and Renovation Funds).

UW System: Authority to Construct a Maintenance and Repair Project

Resolution 9105: That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to construct a maintenance and repair project at an estimated total project cost of \$373,500 Program Revenue-Cash.

UW System: Ranking Criteria for GPR Major Projects

Resolution 9106: That, upon the recommendation of the President of the University of Wisconsin System, the Ranking Criteria for GPR Major Projects be adopted as the basis for prioritizing and categorizing GPR major projects for inclusion in UW System capital budget requests.

UW-Stevens Point: Authority to Lease Space for Temporary University Center Functions

Resolution 9107: That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, authority be granted for the Department of Administration to execute a 23-month temporary lease of 20,543 square feet of space at 200 Division Street in Stevens Point, Wisconsin, at an estimated total cost of approximately \$345,000, paid monthly using Program Revenue-Cash. This space will provide a temporary location for university center functions during the renovation of the Lee Sherman Dreyfus University Center.

-

UW-La Crosse: Naming the UW-La Crosse Stadium the “Roger Harring Stadium”

Adoption of the following resolution was moved by Regent Smith and seconded by Regent Randall. Noting that the matter had been an issue in the La Crosse area for some time, Regent Smith observed that Coach Harring had been a great credit to the university and La Crosse area and that he deserved the recognition of having the stadium named in his honor. He added that the La Crosse mayor, city council, area veterans groups, and Chancellor Hastad all deserved credit for resolving the matter successfully.

The question was put on Resolution 9100, and it was adopted on a unanimous voice vote.

Resolution 9100: That, upon the recommendation of the UW-La Crosse Chancellor and the President of the University of Wisconsin System, the Board of Regents name the UW-La Crosse stadium the “Roger Harring Stadium” and waives the closed session required in policy 96-1.

-

UW-Milwaukee: Authority to Lease Space for WUWM Milwaukee Public Radio Station

Adoption of the following resolution was moved by Regent Randall and seconded by Regent Crain. In response to a question by Regent Randall, Assistant Vice President David Miller explained that the total cost for space would be \$300,000 per year, which would be paid from donations to the radio station. The additional space was intended to house staff needed to provide more local programming.

The question was put on Resolution 9102, and it was adopted on a unanimous voice vote.

Resolution 9102: That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, authority be granted to amend the existing lease with Polacheck Property Management to increase the present 9,900 square feet of space by 10,100 square feet for a new total of 20,000 square feet for the WUWM Milwaukee Public Radio station in the Plankinton Building at the Grand Avenue Mall.

- - -

REPORT OF THE BUSINESS AND FINANCE COMMITTEE

The committee's report was presented by Regent Pruitt, Chair.

-

Continued Review of Personnel Policies and Practices – Fixed Term Contracts

In discussion of this matter, Associate Vice President Al Crist asked the committee to consider the reasons for shifting away from "at will" appointments to fixed term contracts. Another option would be a combination of "at will" and fixed term contracts as currently used for some coaches. This type of contract also is used by the Minnesota State Colleges and Universities System.

General Counsel Pat Brady discussed the statutory considerations in a shift from "at will" limited appointments to fixed term contracts, noting that a statutory change would need to be approved by the Legislature.

After much input from the chancellors, Regent Loftus moved and Regent Smith seconded a resolution directing the chancellors to provide a recommendation on whether fixed term contracts should be further considered.

Adoption by the board of the following resolution was moved by Regent Pruitt and seconded by Regent Loftus. Regent Crain asked if there was a decision on when the matter would be returned to the board, and Regent Pruitt replied that it would be brought back after the chancellors completed their deliberations.

The question was put on Resolution 9108, and it was adopted on a unanimous voice vote.

Resolution 9108: That, at the request of the Business, Finance, and Audit Committee, the Chancellors develop and present the Board of Regents with a recommendation regarding the possible use of fixed term contracts and improving the employment climate in which they might be used. The recommendation should address how such contracts might be utilized or established as a means of maximizing management flexibility and maintaining or enhancing our ability to recruit and retain senior executives and other key administrators.

-

UW-Madison Presentation on Conflict of Interest Reporting

Senior Legal Counsel Kathleen Irwin reported on how UW-Madison meets the “Outside Activity” reporting requirements in the *Wisconsin Administrative Code*. Both UW-Madison and UW-Milwaukee had success in piloting use of an electronic reporting form that combines state outside activity reports and federal reports of financial interests.

The committee approved for inclusion in the consent agenda a resolution to permit the electronic submission form to replace the paper form that was previously used for reporting.

-

Audit Issues

Review of Audit Scope for Segregated Fees

Regent Connolly-Keesler led the committee in reviewing a proposed scope document that outlined the upcoming audit of student segregated fees. The review would seek to provide information about:

- The major reasons for segregated fee increases;
- The process for determining the level of and obtaining approval for those fees; and
- The roles of the Board of Regents, System Administration, campus administrations, and students in the process.

The committee considered whether to expand the scope to include differential tuition and decided not to do so at this time.

Quarterly Status Update: Operations Review and Audit

Audit Director Ron Yates updated the committee on recent audit activity and indicated that a comprehensive audit plan would be brought to the committee in the spring.

-

Trust Fund Issues

Follow-up on Investment Forum

Assistant Trust Officer Doug Hoerr led the committee in a discussion of the issues raised at the Annual Trust Funds Forum in November, which had a larger audience than in previous years. Students and others primarily raised concerns regarding investments in companies doing business with the State of Israel and companies that they believe exploit labor. The committee was advised that the board's holdings are in compliance with board policy. Several presenters planned to provide their concerns in writing and asked that they be disseminated to the regents.

-

Business, Finance, and Audit Committee Goals and Plans for 2005-06

In discussion of what the committee would like to accomplish during the year, Vice President Durcan indicated that, in addition to responsibilities for audit and trust fund issues, the committee would be instrumental in addressing the board's goal of quality through an analysis of competitive compensation. The committee concluded that this priority would be addressed at the February meeting.

It was noted that the committee might be asked to take a leadership role in development of the next biennial budget and that analysis of tuition options could also be continued.

-

Overview of Differential Tuition

Assistant Vice President Lynn Paulson reviewed a listing of the current differential tuitions at UW institutions and the procedures used in establishing institution-wide and program-specific differential tuitions.

-

UW-Whitewater Food Services Contract Extension

The committee approved for inclusion in the consent agenda a resolution granting a three-year extension to UW-Whitewater's existing food services contract to ensure continued operations through a period of construction on campus.

-

Report of the Vice President

Big 10 Business Officers Meeting

Vice President Durcan reported on some items from the recent Big 10 business officers meeting. With regard to energy costs, she indicated that Michigan State is charging an energy fee of \$65 per semester and Illinois is considering one of \$125-\$150 per semester.

On endowment-related issues, she reported that the UW's spending policy of 4 percent is on the conservative side, as most are in the 4.5 percent to 5 percent range.

Veterans Remissions

Vice President Durcan informed the committee that over 700 veterans and their family members were taking advantage of the new veterans' remission provisions. Since this would amount to another budget cut to UW campuses, the committee endorsed making a 13.10 funding request once the second semester impact could be assessed.

TABOR

It was reported by Vice President Durcan that the UW has been advised that a new version of TABOR would be introduced. If the bill proceeds, an analysis of the new proposal and further background information would be prepared for the committee to consider at the next meeting.

ACE Invoices

Vice President Durcan reported that the UW has received the first bill from the Department of Administration, representing 50 percent of fiscal year 2006 billing for ACE savings and investment costs. The total owed by the end of the fiscal year will be about \$1.4 million, which will result in another cut to the campuses.

-

Trust Funds

In closed session, the committee approved asset manager recommendations.

-

Consent Agenda

Regent Pruitt moved adoption of the following consent agenda resolutions by the Board of Regents. The motion was seconded by Regent Loftus and carried on a unanimous voice vote.

Conflict of Interest Reporting

Resolution 9109: That, upon the recommendation of the Chancellors of UW-Madison and UW-Milwaukee, and the President of the UW System, the Board approves the use of an electronic reporting system consistent with that described in Attachments A and B for purposes of compliance with Chapter UWS 8, Wisconsin Administrative Code at UW-Madison and UW-Milwaukee, and further authorizes any UW System institution to implement such a system, if it chooses.

UW-Whitewater: Food Service Contract Extension

Resolution 9110: That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Whitewater, the Board of Regents approves a three-year contract extension with the provision of an additional year if construction is not completed on the current timeline with Chartwells providing Dining Services to the University according to existing contract provisions.

- - -

REPORT OF THE EDUCATION COMMITTEE

Regent Axtell presented the committee's report.

-

Follow-up Discussion: All-Regent Session on Financial Aid and Tuition

Regent Axtell reported that the committee had a very interesting discussion regarding tuition and financial aid. It was noted that there are more families of color than white families living below the poverty line in Wisconsin and that maximum caps on federal loans have a significant impact on middle-income students.

-

Report of the Senior Vice President for Academic Affairs

Cultivating Excellence: The University of Wisconsin-Madison's Challenging Undergraduate Experience

Interim Provost Gina Sapiro gave a presentation on how UW-Madison provides challenging academic enrichment experiences for its undergraduates through programs such as study abroad, residential learning communities, and involvement in faculty research projects. About 80 percent of the university's undergraduate students participate in one or more of these programs.

Review of 2007-09 Sabbatical Guidelines and Announcement of 2006-07 Sabbatical Assignments

The committee agreed with Senior Vice President Marrett's recommendation that the existing guidelines be retained, since they continue to represent the board's goals and priorities. Dr. Marrett emphasized the importance of the sabbatical program in maintaining educational quality by renewing the vibrancy of faculty teaching and scholarship. It was noted that the program is largely self-funded through salary savings.

- - -

ADDITIONAL RESOLUTIONS

Cancellation of January 2006 Meetings

It was noted that the meeting schedule provided for cancellation of the January 5 and 6, 2006 meetings, circumstances permitting.

Upon motion by Regent Randall, seconded by Regent Semenas, the following resolution was adopted on a unanimous voice vote:

Resolution 9111: That the Board of Regents meetings scheduled for January 5 and 6, 2006, be cancelled.

Regent Loftus commented that it will be necessary to have a plan and vision for the future in which increased compensation, student access, enrollment and aid are brought together in a package, demonstrating how they will serve good public policy.

-

Resolution of Appreciation to UW-Madison

The following resolution was presented by Regent Smith and adopted by acclamation:

Resolution 9112: WHEREAS, the members of the University of Wisconsin System Board of Regents are pleased to recognize UW-Madison as the official host campus for the Board's December 2005 meeting; and

WHEREAS, the Regents are much more aware of the extraordinary progress of the UW-Madison campus master plan thanks to a presentation to both the Physical Planning and Funding and Business, Finance and Audit Committees; and

WHEREAS, the board's Education Committee received valuable insight on the ways the UW-Madison campus is preparing its undergraduates for productive 21st century citizenship through opportunities for academic enrichment; and

WHEREAS, the October digitization of Lois Ireland's image "Harvest Time" marked the 1 millionth object digitized by the University of Wisconsin's Digital Collection Center, keeping this university well ahead of the curve as we move into an increasingly digital age; and

WHEREAS, the Regents were treated to a lively musical performance by Professors David Perry and Christopher Taylor at the recently completed Porter Boathouse; and

WHEREAS, the Board applauds the UW-Madison's continued commitment to excellence and achievement; and

WHEREAS, the Regents wish the Badgers success in their upcoming January 2 bowl game with Auburn University in Orlando, Florida and extends congratulations to all men's and women's athletics for their successes, particularly in the classroom;

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

Chancellor John Wiley, Interim Provost Gina Sapiro and all of their colleagues for their exceptional hospitality, outstanding presentations, forward thinking spirit, and never-ending contributions to the Wisconsin Idea.

-

Memorial Resolution: Dr. H. Rupert Theobald

Presenting Resolution 9113, Regent Loftus reflected that Dr. Theobald, born in Germany in 1930, had been taught as a child that democracy does not work. He then came to the United State where he earned a PhD degree from the University of Wisconsin and went to work for the Legislature, where he was instrumental in making democracy work in Wisconsin.

The following resolution, moved by Regent Loftus, was adopted by acclamation.

Resolution 9113: WHEREAS, Dr. H. Rupert Theobald dedicated nearly four decades of service to the Wisconsin State Legislature, its constituents, and the University of Wisconsin System by supplying invaluable resources and information as the chief of the Legislative Reference Bureau; and

WHEREAS, after earning a journalism scholarship to study in America, he emigrated from Germany in 1950 and obtained bachelor's and doctorate degrees in political science from UW-Madison; and

WHEREAS, he went on to return the state's investment in his education through his contributions to Wisconsin leaders and residents; and

WHEREAS, Rupert's work at the Legislative Library and his published articles informed Wisconsin residents and state leaders about Wisconsin state government, redistricting, and parliamentary procedures; and

WHEREAS, at the time of his retirement, Dr. Theobald's tenure was the longest in the nation for a director of a legislative service agency; and

WHEREAS, Dr. Theobald's diligence reminded many Wisconsin leaders about the ideals of democracy and their responsibilities to the citizens they represent, and

made the Legislative Reference Bureau an integral part of the Wisconsin Legislature; and

WHEREAS, he is remembered as a trusted public servant whose reliable and nonpartisan counsel was essential to making policy decisions that have impacted the lives of countless Wisconsin residents; and

WHEREAS, Dr. H. Rupert Theobald passed away on November 9, 2005, leaving a legacy of public work that epitomizes the Wisconsin Idea;

THEREFORE BE IT RESOLVED that the Board of Regents of the University of Wisconsin System commends Dr. H. Rupert Theobald's lifelong work and dedication to the state of Wisconsin and all its citizens.

-

CLOSED SESSION

The meeting was recessed at 11:00 a.m. and reconvened at 11:20 a.m., at which time the following resolution, moved by Regent Bradley and seconded by Regent Randall was adopted on a unanimous roll-call vote, with Regents Walsh, Spector, Smith, Semenas, Randall, Pruitt, Loftus, Davis, Crain, Connolly-Keesler, Bradley, and Axtell (12) voting in the affirmative. There were no negative votes and no abstentions.

Resolution 9114: That, the Board of Regents recess into closed session, to consider UW-Milwaukee Honorary Degree Nominations, as permitted by s.19.85(1)(f), *Wis. Stats.*, to consider UW-Madison Salary Adjustments, as permitted by s.19.85(1)(c), *Wis. Stats.*, to consider appointment of a Chancellor of the UW Colleges and UW-Extension, as permitted by s.19.85(1)(c), *Wis. Stats.*, to confer with legal counsel regarding pending and potential litigation, as permitted by s.19.85(1)(g), *Wis. Stats.*, and to consider appointment of a Dean, UW-Rock County, as permitted by s.19.85(1)(c), *Wis. Stats.*

The following resolutions were adopted in closed session:

Authorization to Appoint: Chancellor, University of Wisconsin Colleges and University of Wisconsin-Extension

Resolution 9115: That, upon recommendation of the Special Regent Committee and the President of the University of Wisconsin System, David Wilson be appointed Chancellor of the University of Wisconsin Colleges and University of Wisconsin-Extension, effective May 1, 2006, at a salary of \$178,000 and with the other terms, conditions, and benefits as stated in the attached letter of appointment.

Authorization to Appoint: Dean, UW-Rock County

Resolution 9116: That, upon recommendation of the Interim Chancellor of the University of Wisconsin Colleges and the President of the University of Wisconsin System, the Interim Chancellor be authorized to appoint Diane Pillard as Dean at the University of Wisconsin-Rock County, effective January 1, 2006 at an annual salary of \$92,000.

Contract with UW-Madison Head Football Coach

Resolution 9117: WHEREAS, the Board of Regents passed a resolution at its November, 2005 meeting limiting severance payments for limited appointees to six months notice, and

WHEREAS, pursuant to Regent Policy Document #87-15, the University of Wisconsin-Madison has requested approval of a contract with Bret A. Bielema for the position of head football coach “(Coach”) at UW-Madison, and

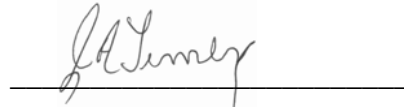
WHEREAS, said contract includes a number of provisions granting additional job security to Coach and in particular including severance payments in excess of a six month notice, and,

WHEREAS, the justification for said exceptions is that said provisions are reflective of the market place for the position of head football coach at a major Division 1 University,

NOW THEREFORE BE IT RESOLVED, that the Board of Regents does hereby approve the proposed employment agreement between the Division of Intercollegiate Athletics University of Wisconsin-Madison and Bret A. Bielema including the severance payments contained therein, provided however that any changes to such contract including extension(s) or payment of additional compensation or benefits from whatever source shall be reviewed and approved by the Board of Regents and that all terms and provisions of the contract shall then be subject to renegotiation and in particular the amount of proposed severance payments under the then existing facts and circumstances taking into consideration the Board's desire to have a standard form agreement with all coaches such that negotiations of said contracts do not take place after the announcement of the hiring of a Coach.

The meeting was adjourned at 12:45 p.m.

Submitted by:

A handwritten signature in cursive script, appearing to read "J. A. Temby", is written over a horizontal line.

Judith A. Temby, Secretary