

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Milwaukee, Wisconsin

Held in UW-Milwaukee Union
Room-W150 Fireside Lounge
Friday, May 8, 1992
8:30 a.m.

-President Lyon presiding-

PRESENT: Regents Barry, Clusen, Davis, Dreyfus, Flores, Gelatt, Grebe,
Hirsch, Krutsch, Lubar, Lyon, Nicholas, Schilling, Steil, and
Vattendahl

ABSENT: Regents Grover and Gundersen

Approval of Minutes

Upon motion by Regent Lubar, seconded by Regent Flores, the minutes of
the April 10, 1992, meeting of the Board of Regents were approved as
distributed.

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REPORT OF THE PRESIDENT OF THE BOARD

Appreciation to UW-Milwaukee

Regent President Lyon stated the Board's appreciation for the
opportunity to meet at UW-Milwaukee. He thanked Chancellor Schroeder and the
staff of UW-Milwaukee for making the Board's visit so interesting and
enjoyable.

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Resolution of Appreciation: Regent Clusen

Resolution 6096 was presented by Regent Schilling and adopted by

acclamation.

Resolution 6096: Whereas, Ruth Clusen is completing nine years of distinguished service as a member of the Board of Regents of the University of Wisconsin System; and

Whereas, during her tenure on the Board, she has made substantial contributions to a broad range of policy issues and has held a number of leadership positions, including Chair and Vice Chair of the Education Committee, Chair of Special Regent Committees on appointment of chancellors, and Chair of the Educational Communications Board and the Council for Public Broadcasting; and

Whereas, her selection in 1985 as a member of the prestigious National Commission on the Future of State Colleges and Universities demonstrates the esteem accorded her in the higher education community; and

Whereas, throughout her years on the Board, she has maintained a steadfast commitment to educational excellence; an abiding interest in concerns of academic staff and support for their effective involvement in institutional governance; and a firm commitment to equal opportunity for women throughout the UW System;

Therefore, be it resolved that the Board of Regents of the University of Wisconsin System, hereby commends our colleague Ruth Clusen for the exemplary service she has rendered to the people of Wisconsin as a member of this Board; and

Be it further resolved that, with great appreciation for the wise counsel she has provided, for the countless hours and great effort she has devoted, and for her unstinting support of the University of Wisconsin System, the Board of Regents grants to Ruth Clusen, upon her retirement from the Board, the status and title of Regent Emeritus.

Regent President Lyon presented a plaque to Regent Clusen in recognition of her distinguished service.

Stating that her time on the Board had been a great pleasure, Regent Clusen recalled that some of the issues before the Board when she began her term were still being discussed. These included faculty and staff compensation, collective bargaining, financial disclosure for faculty and staff, recruitment/retention of women faculty, staff and students, and issues involving academic staff.

At that time, Katharine Lyall had been with the UW only about a year, but everyone already knew that she was destined for exceptional accomplishment. Then, there were four women Regents--now there are two. Then, there was one woman Chancellor--now there are four.

In many ways, she recalled, this was a less integrated System nine years ago. When President Shaw was appointed, he was told that the Board wanted a real System, not a loose federation. This had been accomplished. Nine years ago, the large size of the System and growing enrollments were points of pride. Now enrollments are being reduced. In those nine years the UW Centers had succeeded in firmly establishing their own mission, and the UW-Extension function was successfully integrated under the leadership of Chancellor Boyle.

Over the years, she continued, the student body has become more diverse, although much remains to be accomplished in that regard. Planning the Future has moved the UW forward, and work along those lines should be continued.

Among her greatest satisfactions, Regent Clusen said, was to have participated in choosing leaders for UW institutions and the System. Every chancellorship had changed in her time on the Board, and there had been two presidential searches.

Turning to current issues, Regent Clusen cited the national dialogue about regionalization versus specialization and urged the Board to bear in mind that the regional campuses were established for accessibility--to bring quality education to all parts of the state. While sacrifices will have to be made because of limited resources, she urged caution about what is done with respect to those campuses.

While compensation is still a problem, she was convinced that the Governor's Compensation Commission will greatly assist in resolving that issue. Questions relating to the level of tuition and fees also remain unsettled. With regard to the status of women in the UW System, she commented that women still are underrepresented on the Board of Regents and among senior faculty across the System. In general, she felt women are underpaid, underpromoted and undertenured. She urged the Board to continue efforts in that area, as well as efforts toward greater cultural diversity.

The Board members she most admired over the years, Regent Clusen observed, have been people of independent mind who were unprejudiced and had intellectual curiosity. In conclusion, she thanked the Board, the faculty, the staff and the chancellors for the opportunities given to her and for their hospitality. She also thanked the Regents and all others for their kindness since her accident. Most importantly, she said, all the time and effort of being a member of the Board is worthwhile, because it is done for the students--the future human resources of the state.

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Resolution 6097 was presented by Regent Gelatt and adopted by acclamation.

Resolution of Appreciation: Regent Vattendahl

Resolution 6097: Whereas, Joel Vattendahl is completing a seven-year term of meritorious service as a member of the Board of Regents of the University of Wisconsin System; and

Whereas, he brought to the Board a valuable perspective based on his distinguished career in labor

union leadership and public service; and

Whereas, as a member and Vice Chair of the Business and Finance Committee, he made significant contributions to budget deliberations and other key issues involving financial support for the UW System; and

Whereas, he also rendered valuable service as a member of Special Regent Committees for selection of Chancellors and as a member of the Council of Trustees of the UW Hospital and Clinics; and

Whereas, throughout the years, he has enlivened and enriched Regent discussions with his perceptive and cogent observations, always well-stated, to the point, and often laced with insightful humor. For example, in his plain-spoken manner, he once summed up the Board's view, after a lengthy discussion, in this short sentence: "We really are in support of this project, we just don't want to say so." On another occasion, he minced no words in characterizing the suggestion for further review of an already well-studied proposal as "nothing more than an exercise in exercise -- and everyone knows I'm against exercise";

Now, therefore, be it resolved that the Board of Regents of the University of Wisconsin System hereby commends our colleague Joel Vattendahl for the substantial contributions he has made to public higher education in Wisconsin; and

Be it further resolved that, with great appreciation for the loyal service he has rendered, the Board of Regents grants to him, upon his retirement from the Board, the status and title of Regent Emeritus.

President Lyon presented a plaque to Regent Vattendahl in recognition of his distinguished service.

Regent Vattendahl began his remarks by recalling an incident several years previously in which he had referred to reaction by patrons of a well-known establishment in Cudahy as a means of adding perspective to a Board discussion. Specifically, the discussion focused on the procedure for press announcements of the newly-approved UW mission statements, whereupon, Regent Fish opined that he did not think anyone really cared what process was used. Regent Vattendahl responded that the folks at Pinter's Tap have scarcely spoken of anything else.

Turning to current issues, he noted the need for competitiveness in a global economy and the resulting focus on schools of business. He hoped these schools would not advocate the strict top-down management that still is prevalent in the United States, because this outmoded form of management will not succeed in the world market. He also hoped that schools of business will not teach what was all too common in the 1980s--that corporate debt is good because it forces managers to manage more efficiently, and that the real way to manage efficiently is to victimize workers. He pointed out that \$5- and

\$6-per-hour workers cannot send their children to the university, nor can they pay the taxes needed to support the university and other necessary government programs. Stating that schools must teach that workers are important, he noted that it was a corporate attorney turned president--Abraham Lincoln--who said, "It is labor that has given rise to capital, and as such, is worthy of greater consideration than capital."

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The following resolution, presented by Regent Dreyfus was adopted by acclamation.

Resolution of Appreciation: Neil Shively

Resolution 6098: Whereas, Neil Shively has had a long and distinguished career in journalism, and on May 15, 1992 he will retire as Madison Bureau Chief of the Milwaukee Sentinel

where he has worked for 25 years; and

Whereas, Neil is known as the dean of the Madison press corps because of the experience and wisdom he has gained from more than two decades of reporting on Wisconsin state government and higher education issues, keeping the public well-informed of key issues; and

Whereas, those who have worked with Neil over the years appreciate his professional dedication, knowledge, perceptive reporting, professional manner, and his warmth and good humor; and

Whereas, he continued to approach his profession with great interest and enthusiasm, possessing savvy political instincts, a journalist's insatiable curiosity, and an internal drive and stamina (even in his waning years!); and

Whereas, despite his nose for news and investigative style of reporting, he is regarded as a personable and fair journalist who can charm the subjects of his stories even as he reports on their idiosyncrasies, crimes or misdemeanors; and

Now, therefore, be it resolved that the Board of Regents and the University of Wisconsin System Administration do hereby commend Neil Shively for a career of outstanding journalistic achievement and for his contribution to public higher education by reporting on news and issues that are in the public interest; and

Be it further resolved that the Board and UW System Administration wish him happiness and fulfillment in the years ahead.

Mr. Shively thanked the Regents for the resolution of commendation.

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Report of the Higher Educational Aids Board

The Board was provided with a written report of the May 1, 1992, meeting of the Higher Educational Aids Board.

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Report of the Vice President of the State Board of Vocational, Technical and Adult Education

A written report by the Vice President of the State Board of Vocational, Technical and Adult Education was provided to the Board.

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Report of Legislative Matters

A written report on legislative matters was provided to the Board by Acting Vice President Ward.

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Appointment of Regent Committee for Selection of Joyce Erdman Teaching Excellence Awards

Regent President Lyon announced the appointment of a Regent Committee to select recipients of the Joyce Erdman Teaching Excellence Awards. The Committee members are Regents Krutsch (Chair), Clusen and Flores. The award selections will be announced at the June Board meeting.

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Statement By Regent President Lyon

Regent President Lyon expressed appreciation for the cooperation and support he received during his two years as President of the Board.

This has not been an exciting time for higher education, he noted. The struggle for very modest budget increases, a damaging LAB audit, inadequate compensation gains, the departure of President Shaw, downsizing, extensive reallocation, and the open records debate made the activity level high. At times, however, he had concern about productivity under these conditions.

Turning to positive experiences, he cited first the presidential search, which led to the engagement of a highly competent leader in President Lyall. Second, with considerable effort on the part of Regents and others, the undergraduate education study resulted in initiatives that will enhance the quality of the nucleus of the System's mission. Third, the Governor's Commission on Compensation offers a means of assistance in addressing one of the UW's most difficult problems. Fourth, the UW-System has a well-drawn capital improvement plan to respond to the needs and resources of these times, and the WISTAR Program will enhance the basis in that area. The bottom line, he remarked, is that through the collective efforts of many, the UW System is better positioned than others around the country to maintain quality programs

in this time of fiscal constraint.

In his remaining time on the Board, he hoped to serve, as former President Schilling has ably done, when experience with the history of an issue might be useful. In conclusion, he thanked System Administration, campus leadership and the Regents' staff for their assistance.

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Administrative Rule Proposal: Sec. UWS 17.06(2), Wisconsin Administrative Code

Regent President Lyon reported on the May 7 public hearing on proposed amendments on s. UWS 17.06, Wisconsin Administrative Code. Testimony was heard from 17 persons, two others submitted written testimony, and two registered without presenting testimony.

Resolution 6099 would forward the amendments for legislative review by directing the secretary to notify the presiding officer of each House of the Legislature that the rules are in final draft form and to cause a statement to that effect to appear in the Wisconsin Administrative Register. Each presiding officer would refer the rule to a standing committee for review. If there is no legislative committee objection, the rules would be promulgated.

It was moved by Regent Schilling, and seconded by Regent Davis, that the following resolution be adopted by the Board of Regents:

Resolution 6099: That the Secretary of the Board of Regents, pursuant to s. 227.19, Wis. Stats., notify the presiding officer of each house of the Legislature that proposed amendments to Chapter UWS 17, Wis. Admin. Code, are in final draft form and cause a statement to appear in the Wisconsin Administrative Register that said proposed amendments have been submitted to the presiding officer of each house of the Legislature.

Regent Krutsch noted the admirable intent of supporters of the rule to create a more hospitable environment for minorities and others to whom epithets may be addressed. She was concerned, however, about language which she felt might stray from constitutional limits by making the rule applicable in some instances when there is not likely to be a breach of the peace. Testimony at the public hearing, she noted, had shown that both supporters and opponents did not have a clear understanding of what the rule would prohibit. This lack of understanding, even by people who considered themselves knowledgeable enough to testify, raised some questions, she felt, as to the possible unintended effect of the rule on the average student.

Referring to concerns about the rule expressed in testimony by the ACLU, Regent Krutsch urged the Board to hear more expert testimony by constitutional scholars as to whether the rule is likely to withstand a challenge to its constitutionality. She felt that UW-Madison Law School faculty who drafted

the rule were in the position of being advocates for the rule. Therefore, she suggested that the Board obtain testimony from neutral outside experts before making a decision on this issue.

Regent Schilling noted that the previous rule was struck down not only because of the breadth of its language but also because of the way it was administered. It was his understanding that Law School faculty and others carefully examined that decision and formulated a proposed rule which they believed would meet the standards applied by Judge Warren.

In reply to a question by Regent Schilling, Senior Counsel Hodulik said a group of seven law professors, led by Professor Ted Finman, participated in the redraft effort. The group included Dean Daniel Bernstine and Professors James Jones, Linda Greene, and Gordon Baldwin. Professor Finman had testified that in his judgment the proposed rule meets the standard set in the UW Milwaukee Post case and is consistent with the "fighting words" doctrine.

Regent Schilling noted that it is the role of the ACLU to raise questions about any limitation on speech and it probably would not be possible to fashion a rule to which they would not object. Experts could be found, he thought, to argue both for and against the constitutionality of the rule. His position is that the Board has a responsibility to do everything possible to create a hospitable environment for all students, whether or not that means further litigation. Therefore, he urged the Board to adopt the rule.

Regent Hirsch expressed concern that a violent response would be necessary in order to prosecute someone for violation of the rule. This, he felt, would encourage a person subjected to epithets to react violently. He asked if a student editorial which ridiculed someone would be covered by the rule. Senior Counsel Hodulik thought it highly unlikely that a situation would arise in which an editorial would be found to violate the rule. Regent Hirsch asked if the rule would apply to a student-to-student exchange if it occurred in a private home or other off-campus location. Senior Counsel Hodulik replied that such an exchange might be covered if a clear link to the campus environment could be demonstrated. Regent Hirsch commented that the Board has no right to make a rule that can potentially invade someone's home. He opposed the rule for that reason and for the reasons he stated at the March meeting.

Regent Flores stated that racial or other epithets are no part of the exchange of ideas and are not protected speech. He urged the Board to adopt the rule.

Regent Davis stated that the Board's energy should be focused on finding solutions. In the past two months, he noted, the entire Black student body had walked out at Olivet College because they were tired of indifference on the part of people in authority. In Los Angeles, people had not rioted when Rodney King was beaten; they rioted when they felt the system failed them.

The issue here, he stated, is whether or not the Board will do its job. Throughout the entire debate he had heard no alternative solutions to the proposed rule. While there were people who said education is the solution, some of those same people have objected to multi-cultural and other ethnic study courses. What everyone wants, he remarked, is an educated, polite citizenry--but that will not be accomplished by doing nothing. He would rather the Board made a mistake trying to solve a problem than to make the

mistake of doing nothing when it has the responsibility to do something. If the rule were struck down, he would consider it his responsibility to try another solution. It is his position that the Board has a responsibility to address the problem proactively. Therefore, he continues to support the rule.

Put to a roll-call vote, Resolution 6099 was adopted, with Regents Barry, Clusen, Davis, Flores, Gelatt, Lubar, Lyon, Schilling and Vattendahl (9) voting in the affirmative, and Regents Dreyfus, Grebe, Hirsch, Krutsch, Nicholas and Steil (6) voting in opposition.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Congratulations to Astronaut Brandenstein

President Lyall congratulated Astronaut Dan Brandenstein, who was leading a space mission which began that day. Mr. Brandenstein is a graduate of UW-River Falls.

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Approval of Nonpersonnel Actions

Presenting Resolution 6100, President Lyall reported that it contained no legal services contracts. She called attention to the following two items: (1) Barron County has named the UW-Center there in memory of former Dean John Meggars; and (2) the list contained an agreement between Parkway Hospital and the UW Medical School which calls for the exchange of services. UW psychiatric faculty and residents will provide certain clinical services to Parkway and Parkway will provide support for laboratory facilities, equipment and patient population for study.

Upon motion by Regent Schilling and properly seconded, the following resolution was adopted unanimously:

Resolution 6100: That the report of nonpersonnel actions by administrative officers to the Board of Regents and informational items reported for the record (copy on file with the papers of this meeting) be received for the record; and that actions included in the report be approved, ratified and confirmed.

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Teaching Excellence Awards

Reporting on Teaching Excellence Awards, President Lyall recognized the fine teaching faculty throughout the UW System who not only devote their professional talents to the transmission of knowledge but give of themselves as people to encourage, inspire and mentor students. Their students refer to them as "enthusiastic, stimulating, conscientious, warm and genuine--someone whose door is always open, always helpful and caring, interested, intelligent, precise and personable, dynamic and outstanding, teacher and motivator, and

exceptionally devoted to the students."

The May issue of Wisconsin Ideas magazine contains the fifth annual salute to UW's excellent faculty. One of the individual faculty profiled there is UW-River Falls Professor of Elementary Education, De An Krey, who expressed this sentiment about her students when they go forth to teach: "On that critical day when my students teach on their own for the very first time, I want them to know that I thought about them. They are important and whether they succeed is very important to me. Just as their focus has to be on their students, so does mine."

This spring, UW institutions are recognizing more than 65 distinguished teachers, in an effort to provide greater rewards for teaching distinction, comparable to those provided for outstanding research and scholarly achievement. There are 3M and Pete Marovick Awards at UW-Eau Claire; Key Kaufer Steiger and Amoco Awards at UW-Madison; Alumni Association and the Allied Health Professions Golden Apple Awards at UW-Milwaukee; the Underkoffler Teaching Awards at UW-Platteville, UW-Madison and UW Center-Richland Center; the Rosebush Awards at UW-Oshkosh; the Stella Gray Awards at UW-Parkside; the Phi Kappa Phi Awards at UW-Platteville; the Outstanding Teachers Awards at UW-River Falls, UW-Stout, UW-Stevens Point, the UW Centers and UW-Extension; the Roseman and Saunders Awards at UW-Whitewater; and the Burlington Northern Award at UW-Superior.

Each of the distinguished teachers receiving these awards is an active scholar, who is enlivening teaching with the excitement of asking new questions and figuring out how experiments might be designed to find the answers. Over and over, students say that what challenges them and sparks their intellectual curiosity is catching this sense of excitement from their teachers and from each other.

President Lyall congratulated the 1992 teaching award winners for their outstanding personal and professional performance.

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Status Report on 1992-93 Budget

President Lyall reported that Governor Thompson completed his budget vetos and signed the 1992-93 budget adjustment bill on April 29, 1992. One disappointment was the partial veto of learning technologies funding. This legislative initiative had been reduced several times before an amount was approved by lawmakers, and the Governor's concern with the ending balance and advance commitments eliminated the supplies and expense portion of this funding, leaving about \$.5 million remaining. Additional funding for laboratories and student computers was approved, and support for those needs was very much appreciated.

President Lyall believed understanding of the importance of supplies and expense, library, and learning technologies needs to the instructional and research programs is much deeper now than in the past, and a dialogue has begun which should be helpful with future budgets. Moreover, she stated, the importance of the 4.5 percent pay plan must not be underestimated. Nearly 70 percent of the systemwide budget increase in state and fee revenues is required for the pay plan. It is much appreciated that the pay plan was kept intact during this difficult year. Looking at the budget adjustment bill as a

whole and in view of what is happening in other states, President Lyall stated, the UW System should be very appreciative of the support of the Governor and of the many friends in the state Legislature.

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President's Award for Outstanding Student Government

President Lyall presented the 1991-92 President's Award for Outstanding Student Government to the UW-Stout Student Association for leadership in the promotion of diversity, a strong service orientation toward students, and for helping to build strong partnerships with all segments of the university community. The award was accepted by Mark Klein, President of the UW-Stout Student Government Association.

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Announcement of Retirement, UW-Extension Chancellor

Announcing that UW-Extension Chancellor Patrick Boyle planned to retire on December 31, 1992, President Lyall stated that Chancellor Boyle has provided exceptional leadership in making Wisconsin a national model for extension activities.

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Presentation: The UW-Milwaukee School of Architecture and Urban Planning and the Skylines of Wisconsin

President Lyall introduced Chancellor Schroeder, who noted that the UW-Milwaukee School of Architecture and Urban Planning has been designated as one of UW-Milwaukee's Centers of Excellence. The Chancellor then introduced Robert Greenstreet, Dean of the School, who gave a slide-assisted presentation demonstrating how the faculty, alumni and students of the School have shaped the skylines of Wisconsin's towns and cities. A wide range of buildings and spaces designed or influenced by members of the School was presented, which collectively show the enormous impact the program has had in 20 years on the quality of the built environment in Wisconsin.

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REPORT OF THE BUSINESS AND FINANCE COMMITTEE

Regent Gelatt, Chair of the Committee, presented the report.

Consent Agenda Items

Presenting Resolutions 6101 and 6102 which had been unanimously approved by the Business and Finance Committee, Regent Gelatt moved their adoption by the Board of Regents as consent agenda items. The motion was seconded and carried unanimously.

Approval of Gifts, Grants and Contracts

Resolution 6101: That, upon recommendation of the President of the University of Wisconsin System, the gifts, grants and contracts presented at this meeting (copy on file with the papers of this meeting) be accepted, approved, ratified and confirmed; and that, where signature authority has not been previously delegated, appropriate officers be authorized to sign agreements.

John C. Dunn Bequest

Resolution 6102: That, upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison, the bequest of the late John C. Dunn, of Washington, D. C. be accepted; and that the Trust Officer or Assistant Trust Officer be authorized to sign receipts and do all things necessary to effect the transfer for the benefit of the University of Wisconsin-Madison.

(In disposing of the residue of the estate, the Will provides:

Item II: I give all of my corporate securities, with the exception of my stock in Honeywell, Inc., to the University of Wisconsin in appreciation for the education I received there.

Item III: I give and devise the residue of my estate to my parents WILLIAM A. AND INEZ N. DUNN or all to the survivor. In the event that they shall both predecease me then I give my stock in Honeywell, Inc., to the University of Wisconsin.)

John Dunn received a B. A. in Comparative Literature in 1956 from UW-Madison. Approximately \$100,000.00 will be received from his estate.

Trust Fund Asset Allocation Ratio

Regent Gelatt reported consideration by the Business and Finance Committee of the Trust Fund asset allocation ratio, which is the percentage of assets held in stocks compared to those held in bonds. The ratio must balance between the desire for endowment growth and the requirement for income from the endowment. The spending plan now in place will provide additional stability in the spending fraction. Assistant Trust Officer Konshak reported that the university endowment asset allocation ratio has been low in the stock fraction for the past ten years compared to other universities. The Committee considered alternatives to the current 60 percent stock/40 percent bond ratio and decided not to make any change at this time.

The following resolution was adopted by the Business and Finance Committee to direct the equity investment managers to be fully invested as of October 1992. Because trust fund responsibility is delegated to the Business and Finance Committee, action by the Board is not required.

Resolution: That, upon the recommendation of the President of the University of Wisconsin System, effective October 1, 1992, the equity investment managers for Trust Funds Principal be directed to be fully invested; that is, a cash position would not normally be found in their portfolios.

Regent Barry inquired as to the reason for selecting October of 1992 as the timeline for the full investment rule and whether the rule would substitute Regent judgment for that of the asset managers.

Regent Gelatt replied that the intent of the resolution is that equity managers should invest all of the money available to them in equities and not keep a portion of it in cash. Typically, they have kept about five percent of the money in cash. The October date was selected to coincide with the effective date of appointment of new investment managers.

Regent Nicholas explained that holding a portion of the funds in cash changes the 60/40 ratio that the Committee hopes to maintain. If the manager should take a large cash position, it would frustrate the policy's intent.

Regent Davis asked if the directive could provide an excuse for asset managers to maintain that performance might have been better during a particular period if they had the freedom to move into a cash position. Currently, many brokerage houses have similarly structured 60/40 portfolios but, because of current market volatility, are moving to a 5-10 percent cash position in order to pick the right time to get back into the market.

Regent Lubar responded that the key issue is the percentage of total funds in equities and in fixed income. The statute sets a maximum of 75 percent in equities. The Regents have chosen 60 percent, which is on the low end of the Big Ten schools. The best performance was by Purdue University which has about 77 percent in equities. If the Regents choose 60 percent, it is that percentage, not less, that should be invested in equities. The philosophy is that investment in equities requires a long-term view, with best results achieved by buying quality stocks, holding them through the cyclical ups and downs, and not trying to outsmart the market.

Regent Davis wondered if it might not be preferable to increase the equity percentage rather than to direct the equity managers to be fully invested. His concern was whether the managers would be handicapped by that directive.

While the directive might handicap them to some small extent, Regent Nicholas felt, they probably could not be successful overall in trying to time the market. The Committee is more comfortable with the managers being fully invested and thinking about the stocks themselves rather than about what the market may do.

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Segregated Fee for Intercollegiate Athletics, UW-Madison

In consideration by the Business and Finance Committee of the segregated fee for intercollegiate athletics at UW-Madison, Regent Lyon introduced an amendment to the proposed resolution. The amendment provided for improved

accounting procedures, so that student government representatives can have access to revenues and expenditures to enable them to make segregated fee decisions; that the outstanding deficit at the end of this fiscal year be retired over the next five years in a consistent manner; that unanticipated revenue and expenditure savings be applied to the outstanding deficit; that, beginning in 1993-94, the segregated fee for athletics be addressed within the normal segregated fee policy; that the Board of Regents be assured that each unit within the Athletic Department receives regular budget versus actual expenditure comparisons; that the Athletic Department adopt generally accepted accounting practices; and that a proper funding relationship be maintained with the UW Foundation.

Associate Vice Chancellor Torphy and Athletic Director Richter spoke to the amendments. Regent Lyon stated that his purpose was to remove the issue from the Regent agenda and have it placed in the regular segregated fee process in the future. Regent Schilling questioned the original intent of the fee when it was passed in 1989 as compared to the purpose for which the fee was actually used.

Representatives from the Wisconsin Student Association and Segregated University Fee Allocations Committee voiced their opposition to the continuation of the segregated fee and questioned the legality of assessing the fee in light of students rights under section 36.09(5) of the statutes and System Financial Policy and Procedures Paper 37. They commented that the fee was intended to be temporary and to preserve non-income sports. However, non-income sports were cut, and continuation of the fee indicated to them that the fee is not in fact temporary.

Upon motion of Regent Schilling and seconded by Regent Hirsch, the Committee tabled the resolution until the June meeting and asked for clarification as to authority to impose the fee under the statute and existing System policy.

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Licensing Policy Report

Deputy Vice President Marnocha presented to the Committee a follow-up report on licensing policy, as requested by the Board when the policy was adopted in May 1991. The UW-Madison trademark case is still in process, with completion of the litigation expected to take place this summer. An extension of the contract for special counsel has been requested for a total authorization of \$145,000. It was pointed out that Representative Wineke had asked the Legislative Audit Bureau to do a review to determine the total cost of litigating the trademark case. The LAB auditors are currently performing that review.

The Business and Finance Committee asked the Licensing Committee to address the predicted outcome of the litigation, in addition to the total estimated cost to achieve resolution.

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Report of the Deputy Vice President

Status of Federal Indirect Cost Rate Negotiations

Deputy Vice President Marnocha provided the Committee with a status report on UW-Madison's federal indirect cost proposal for a rate of 46 percent. Where possible, UW-Madison incorporated the Legislative Audit Bureau's recommendations into their proposal. Federal auditors and negotiators will be in Madison next week to review the LAB report and to negotiate the indirect cost rate for research.

Mr. Marnocha also provided information on a survey of federal indirect costs being conducted by the Council on Government Relations and by the Association of American Universities. It is anticipated that recommendations for further adjustments to the indirect cost system will be made this fall.

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Audit Subcommittee Meeting

Audit Schedule for 1992-93

Internal Audit Director Brunkow provided the audit schedule for 1992-93. Audits have been prioritized into three groups. Audits in the priority-one group include: athletics, federal grants and contracts, the Corporation for Public Broadcasting, academic fee systems, and other audits mandated by the Board of Regents, by existing UW System policies and procedures, and by donor requests. Mr. Brunkow indicated that, in order to perform all priority-one audits, the four auditors who have been withdrawn by the Department of Administration, would need to be replaced. The Chair directed System Administration to bring forward a recommendation on the staffing and funding needs to complete all of the priority-one audits, including funding sources. The Committee as a whole emphasized the importance of the audit function and expressed support for adequate staffing.

Informational Report on Role and Responsibilities of Audit Subcommittee

Proposed guidelines were provided on the role and responsibilities of the Audit Subcommittee. The Chair asked Committee members and other Regents to suggest revisions to the proposed guidelines, which will be returned for action at the June meeting.

NCAA Audit of Intercollegiate Athletics, UW-Madison

Deputy Vice President Marnocha reviewed with the Committee the findings of the NCAA audit of UW-Madison intercollegiate athletics. The management letter that accompanied the audit recommended that the Department perform a review of management information needs and determine the appropriate computer hardware and software to fulfill such needs; that the Department adopt the enterprise basis of accounting and corresponding policies and procedures; and that the Department require conflict of interest statements from its management personnel, coaches and board members.

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Biennial Budget Process Seminar

Regent Gelatt announced that there will be a special budget seminar for all Regents on Thursday, June 4, 1992, to review the annual and biennial operating budget process, and the capital budget process.

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REPORT OF THE PHYSICAL PLANNING AND DEVELOPMENT COMMITTEE

Regent Dreyfus, Vice Chair, presented the Committee's report.

Consent Agenda Items

Presenting Resolutions 6103-6110, which were unanimously approved by the Physical Planning and Development Committee, Regent Dreyfus moved their adoption by the Board of Regents as consent agenda items. At the request of Regent Hirsch, Resolution 6110 was removed from the consent agenda. The motion to adopt Resolutions 6103-6109 was seconded by Regent Flores and carried unanimously.

UW-Milwaukee: Approval of 1992 Campus Development Plan

Resolution 6103: That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, the 1992 Campus Development Plan, reflecting updates to the 1979 Campus Development Plan and documenting physical facilities and campus boundaries, be approved.

UW-Eau Claire: Approval of Fire Alarm/Smoke Detection Upgrade

Resolution 6104: That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Fire Alarm/Smoke Detection Upgrade project for an estimated total project cost of \$587,800 from General Fund Supported Borrowing - Health and Safety Funds (\$338,600) and Program Revenue - Housing Funds (\$249,200).

UW-Madison: Approval to Extend Lease of Space at 333 North Randall Avenue, Madison, for College of Engineering and University Archives

Resolution 6105: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to extend the current lease of office and storage space located at 333 North Randall Avenue, Madison, for use by various College of Engineering programs and University Archives:

Lessor: The University of Wisconsin Foundation
P. O. Box 8860
Madison, WI 53708-8860

The current lease for approximately 11,316 square feet (SF) of space located at 333 North Randall Avenue expires on June 30, 1992. The lease will be extended for a three-year period beginning July 1, 1992 through June 30, 1995, and will provide for continued use of 9,617 SF for offices and 1,699 SF for storage by various College of Engineering programs and University Archives.

The annual cost for the first year of the lease will represent an increase of approximately three percent over the current annual rental rate of \$106,824.40 (approximately \$10.62/SF for office space and \$2.77/SF for storage). Annual rental costs for the remaining two years of the lease will reflect a similar increase over the previous year's rate. The following table reflects the proposed lease costs:

Term of Lease	Annual Rental	Annual Increase	Approx. Cost/SF Office
Storage July 1, 1992 - June 30, 1993	\$110,034.50	2.92%	\$10.94/SF
\$2.85/SF July 1, 1993 - June 30, 1994	\$113,208.11	2.81%	\$11.27/SF
\$2.94/SF July 1, 1994 - June 30, 1995	\$116,477.89	2.81%	\$11.60/SF
\$3.03/SF			

All other provisions of the base lease contract remain unchanged. The University will continue to fund the costs of electricity, custodial services and supplies, and snow and trash removal. Those expenses amount to approximately \$1.50/SF. Rental payments and other occupancy costs will continue to be funded by UW-Madison's General Purpose Revenue Operating Budget.

UW-Madison: Approval of Minor Project

Resolution 6106: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct an Engineering Undergraduate Electronic Microfabrication Laboratory at an estimated cost of \$200,000 General Fund Supported Borrowing - Facilities Repair and Renovation Funds.

UW-Milwaukee: Authority to Construct Golda Meir Library Fire Alarm Upgrade

Resolution 6107: That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, authority be granted to construct the Golda Meir Library Fire Alarm Upgrade project for an estimated total project cost of \$250,000 of General Fund Supported Borrowing - Health and Safety Funds.

UW-Platteville: Approval to Construct Steam Distribution/Condensate Return Line Replacement

Resolution 6108: That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Steam Distribution/Condensate Return Line Replacement project, at an estimated total project cost of \$523,400 of General Fund Supported Borrowing - Utilities Repair and Renovation Funds.

UW-River Falls and UW-Whitewater: Approval for Easements

Resolution 6109: That, upon the recommendation of the UW-River Falls and UW-Whitewater Chancellors and the President of the University of Wisconsin System, authority be granted for the President or Vice President and Secretary or Assistant Secretary of the Board to execute the following described easements across university-owned land:

UW-River Falls

- (1) to Wisconsin Bell, Inc., covering a 15 foot wide right-of-way for a distance of approximately 214.5 feet on the west side of State Trunk Highway 65 adjacent to the Campus Laboratory Farm, in the City of River Falls, Pierce County, for the installation of a fiber optic cable. Wisconsin Bell will offer a one-time token payment of \$150 for this easement.

- (2) to Wisconsin Bell, Inc., covering a 10 foot wide right-of-way for a distance of approximately 120 feet, and a 30 foot by 30 foot parcel on the north side of the campus access road to the Mann Valley Farm in the town of Troy, St. Croix County, for the installation of a fiber optic cable, the construction of a 143 GSF fiber optic telecommunications station, and an access easement for an access road across a small portion of the farm. Wisconsin Bell will offer a one-time token payment of \$8,000 for this easement.

UW-Whitewater

- (1) to Wisconsin Natural Gas Company, a utility easement for a ten-foot wide, four-foot long easement on the northeast corner of Lot 43, along Walton Drive, Whitewater, Wisconsin for construction of a two-inch natural gas main.

UW-Madison Camp Randall Stadium Structural Repair

Presenting Resolution 6110, which was approved unanimously by the Committee, Regent Dreyfus explained that the project was for structural repair of the west half of the Camp Randall Stadium seating. The east half had been repaired previously.

It was moved by Regent Dreyfus and seconded by Regent Barry that the following resolution be adopted by the Board of Regents:

Resolution 6110: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Camp Randall Stadium Structural Repair - Phase 2 project, at an estimated total cost of \$675,000 (\$540,000 General Fund Supported Borrowing - Facilities Repair and Renovation) and Program Revenues (\$135,000).

In response to a question by Regent Hirsch, Vice President Brown explained that the program revenue portion of the project is included in the Athletic Department's operating budget for the coming year.

Put to the vote, Resolution 6110 was adopted unanimously.

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UW-Madison: Approval to Name Molecular Biology and Virology Building

Presenting Resolution 6111, Regent Dreyfus noted the tragic loss of Dean Robert Bock, who had died in an accident shortly after his retirement. Throughout his career he had been a major force in molecular biology and virology. Naming the building in his honor would pay lasting tribute to his accomplishments.

Upon motion by Regent Dreyfus, seconded by Regent Nicholas, the following resolution was adopted unanimously by the Board of Regents:

Resolution 6111: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to name the Molecular Biology and Molecular Virology Building at 1525 Linden Drive the "Robert M. Bock Laboratories."

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Report of the Vice President

Campus Space Planning, UW-Platteville

The Physical Planning and Development Committee heard a report on campus space-planning efforts at UW-Platteville, which involved an intensive review of utilization of existing space before any consideration could be given to constructing new space. Each campus is doing such a study, and the Committee is comfortable that the process will produce a well-reasoned, justifiable capital budget.

Annual Report on Facility-Related 1992 Budgets of Cities and Counties
on Behalf of the UW Centers

The Committee received an annual report which showed that the UW Centers facilities, constructed by cities and counties across the state, now have a total value of \$126 million. The municipalities have contributed over \$4.5 million in operating budgets to the Centers at a time of intense fiscal pressure, which demonstrates their strong commitment to these campuses. Regent Dreyfus asked that letters be sent on behalf of the Board to express appreciation for the continuing support and cooperation of the taxpayers and leaders of those cities and counties.

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REPORT OF THE EDUCATION COMMITTEE

Regent Davis, Vice Chair, presented the report.

Consent Agenda Items

Presenting Resolutions 6112-6117, which were unanimously approved by the Education Committee, Regent Davis moved their adoption by the Board of Regents as consent agenda items.

Regent Gelatt commended UW-La Crosse, System Administration and the Education Committee for including the recommendation of the Supplies and Expense Task Force that new programs specify the university funding requirement, so that Regents are aware of what the programs will cost.

Put to the vote, Resolutions 6112-6117 were adopted unanimously.

New Program Authorization: B.A. Archaeological Studies, UW-La Crosse

Resolution 6112: That, upon recommendation of the Chancellor of the University of Wisconsin-La Crosse and the President of the University of Wisconsin System, the Chancellor of the University of Wisconsin-La Crosse be authorized to implement the B.A. in Archaeological Studies.

Approval of Amendments to Faculty Personnel Policies and Procedures,
UW-Eau Claire

Resolution 6113: That, upon recommendation of the Chancellor of the University of Wisconsin-Eau Claire and the President of the University of Wisconsin System, the revisions to chapters UWEC 3.05 and 3.06, Faculty Personnel Rules, University of Wisconsin-Eau Claire, be approved.

Approval of Amendments to Faculty Personnel Policies and Procedures,
UW-Parkside

Resolution 6114: That, upon recommendation of the Chancellor of the University of Wisconsin-Parkside and the President of the University of Wisconsin System, the revisions to chapters UWPF 3.05(1), 3.05(3), 3.08(1), 6.07(3) and 6.12 of the Faculty Personnel Policies and Procedures, University of Wisconsin-Parkside, be approved.

Approval of Amendments to Faculty Personnel Policies and Procedures, UW-Superior

Resolution 6115: That, upon recommendation of the Acting Chancellor of the University of Wisconsin-Superior and the President of the University of Wisconsin System, the revisions to chapter UW-Sup 7.01(1)(b), (d), Faculty Personnel Rules, University of Wisconsin-Superior, be approved.

Extension of Leave of Absence Beyond Initial Two Years, UW-Milwaukee

Resolution 6116: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the leave of absence for Thomas Nykl, Lecturer (Indefinite), Department of Learning Skills and Educational Opportunity, University of Wisconsin-Milwaukee, be extended through the 1992-93 academic year.

Authorization to Recruit Chancellor, UW-Extension

Resolution 6117: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the Request for Authorization to Recruit for a Chancellor of the University of Wisconsin-Extension.

Tenured Faculty Review and Development

The Report on Tenured Faculty Review and Development was presented at a portion of the Education Committee meeting to which all Regents were invited. The Committee heard testimony opposing the resolution from Professor Gloria Toivola representing TAUWP; David Fellman, Professor Emeritus, UW-Madison; and Professor Diane Kravetz, Chair of the University Committee, UW-Madison. Testimony expressing no objection to the resolution was heard from Professor Julie Brinkley, representing the UW-Green Bay Faculty Senate.

Regent Flores expressed concern that the Board may not be able to increase funding for faculty development, a necessary component of the proposed policy. President Lyall agreed that currently not enough is done to provide professional development in the UW System, but allowing institutions to divert funds through quality reinvestment in 1993-95 will provide some flexibility. There also will be a modest Decision Item Narrative prepared for consideration by the Board in the biennial budget process that will recognize the need to make further investments in professional staff development.

A friendly amendment was moved by Regent Krutsch that the following sentence be added to the Guidelines, paragraph D.2., page 3: "The review and methods should fully respect academic freedom." The amendment was accepted by

consensus. It was moved by Regent Gelatt, seconded by Regent Clusen, to amend the Guidelines by adding a new Guideline 8 on page 4: "Nothing in these Guidelines is intended to alter the existing rules dealing with tenure termination." The amendment passed unanimously. The resolution adopting the Guidelines as amended passed, with Regent Flores voting "No."

Upon motion by Regent Davis, seconded by Regent Clusen, the following resolution was adopted by the Board of Regents, with Regent Flores voting in opposition:

Resolution 6118: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents adopts the Guidelines for Tenured Faculty Review and Development. (The Guidelines are attached as EXHIBIT A.)

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Report of the Vice President

UW-Madison Faculty Awards

Vice President Portch announced to the Committee that four UW-Madison faculty have been awarded Guggenheim Fellowships for 1992-93 and that five UW-Madison faculty have been elected as Fellows of the American Academy of Arts and Sciences, including Chancellor Shalala.

Sabbatical Legislation

The Committee was advised that Governor Thompson recently signed legislation that permits faculty on full-year sabbatical at less than full-year salary to receive a full-year credit for retirement benefits.

Offer of Vilas Trustees

The Trustees of the William F. Vilas Estate responded to the Board's request in April 1992 with an offer of \$1,169,520, for fiscal year 1992-93 to support the activities listed in the April agenda materials.

Status Report on the Development of the Bill of Student Rights and Responsibilities

Vice President Portch reported to the Committee on the status of the development of the Bill of Student Rights and Responsibilities. He had concluded that it is necessary for the draft statement to have the benefit of discussion by organized focus groups on each campus next fall and consultation from established systemwide groups. This step is necessary to strengthen the document further and to build the needed widespread support. He expects to bring the document to the Board by February 1993.

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UW-Milwaukee Presentation: The UW-Milwaukee Honors Program and the

Bradley Foundation Professorships

Reporting on a presentation made to the Education Committee on the UW-Milwaukee Honors Program and the Bradley Foundation Professorships, Regent Davis pointed out that the program is very impressive, as is the young scholar, a product of the program, who participated in the presentation.

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Trends in Enrollment: Fall 1991 Update

The Committee discussed the Occasional Research Brief "Trends in Enrollment," which is an update of the fall 1991 enrollment figures. The report notes that in the last ten years fewer students are taking 15 or more credits. Fifty-five percent are now deciding to take more than four years to complete their degrees because of reduced credit loads.

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Projected Supply and Demand for Faculty

Reporting on Committee discussion of the Regent staff paper, "Projected Supply and Demand for Faculty," Regent Davis said the report concludes that the shortage of faculty may not be as severe as had been projected in the late 1980s. Vice President Portch said that future occasional research briefs will analyze the Wisconsin situation in light of the national data. The Committee was very complimentary of the work of Executive Assistant Fredi Bove in this area.

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Authorization to Recruit Dean, College of Letters and Science, UW-Madison

In discussing the authorization to recruit for a Dean, College of Letters and Science, UW-Madison, some members of the Education Committee questioned why the recommended salary range is so much higher than the salary of the former incumbent. Vice Chancellor David Ward distributed additional comparative salary data for Letters and Science Deans at UW-Madison peer institutions. Only one such salary is below the range requested in the authorization to recruit and three are above the maximum salary of the range.

Adoption by the Board of Regents of Resolution 6119, which was unanimously approved by the Committee, was moved by Regent Davis, seconded by Regent Dreyfus and carried unanimously.

Resolution 6119: 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 recruit for a Dean, College of Letters and Science, University of Wisconsin-Madison.

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UNFINISHED OR ADDITIONAL BUSINESS

The following resolution of appreciation was presented by Regent Vattendahl and adopted by acclamation:

Appreciation to UW-Milwaukee

Resolution 6120: Whereas, the Board of Regents is very pleased to have been invited to hold our May 1992 meetings at UW-Milwaukee; and

Whereas, this visit has been enhanced by the informative presentations made to the Board and to the Committees, as well as other special arrangements provided by UW-Milwaukee; and

Whereas, the warm welcome and gracious hospitality extended to us is very much appreciated;

Therefore, be it resolved that the Board of Regents hereby expresses its gratitude to Chancellor and Mrs. Schroeder and to all those involved in making this visit a most interesting and enjoyable occasion.

Accepting the resolution, Chancellor Schroeder thanked all UW-Milwaukee staff who had worked to make the special preparations for the Board's visit.

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At 10:45 a.m., the following resolution, moved by Regent Nicholas, was adopted on a unanimous roll-call vote, with Regents Davis, Dreyfus, Flores, Grebe, Hirsch, Krutsch, Lubar, Lyon, Nicholas, Schilling, Steil and Vattendahl (12) voting in the affirmative. There were no opposing votes and no abstentions.

Resolution 6121: That the Board of Regents recess in closed session to consider personnel matters, including possible appointment of Chancellor, UW-Superior, and Vice Chancellor, UW-Whitewater, as permitted by s.19.85(1)(c), Wis. Stats.; to consider personal histories concerning possible appointments to the UW-Green Bay Board of Visitors, and for preliminary report on investigation of a specific personnel matter, as permitted by s.19.85(1)(f), Wis. Stats.; and to confer with legal counsel, as permitted by s. 19.85(1)(g), Wis. Stats.

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The Board arose from closed session at 11:30 a.m., at which time the following actions were announced:

Appointments to UW-Green Bay Board of Visitors

Resolution 6122: That, upon the recommendation of the UW-Green Bay Chancellor and the President of the University of Wisconsin System, the following nominees be appointed to the UW-Green Bay Board of Visitors for terms ending June 1995:

Ruth C. Clusen
Robert Deer

And that the following members be reappointed for terms ending June 1995:

Bruce Deadman
Lucy Forsting
David Nennig
Mary Walden

Appointment of Vice Chancellor, UW-Whitewater

Resolution 6123: That, upon recommendation of the Chancellor of the University of Wisconsin-Whitewater and the President of the University of Wisconsin System, Kay Schallenkamp be appointed Provost and Vice chancellor for Academic Affairs and Professor with tenure, Department of Communication, University of Wisconsin-Whitewater, effective July 1, 1992, at an annual salary of \$87,000.

Appointment of Chancellor, UW-Superior

Resolution 6124: That, upon the recommendation of the President of the University of Wisconsin System and the Special Regent Committee, Betty J. Youngblood be appointed Chancellor of the University of Wisconsin-Superior, effective immediately, at an annual salary of \$91,000.

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The meeting was adjourned at 11:30 a.m.

Judith A. Temby
Secretary

May 28, 1992