

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

Madison, Wisconsin

Friday, December 9, 1994

<u>Subject Index</u>	<u>Pages</u>
Approval of Minutes	1
REPORT OF THE PRESIDENT OF THE BOARD	
Report of the Chair of Trustees of the UW Hospital and Clinics	1
Report of the Regent member of the Educational Communications Board	2
Report on Legislative Matters	2
Resolution of Appreciation: Senior Vice President Bornstein	3-4
Recognition of Regent Randall's receipt of Teaching Award	4
Report on Executive Assistant search	4-5
Appreciation for Service-Beverly Zimmerman	5
REPORT OF THE PRESIDENT OF THE SYSTEM	
Report on \$8.7 million lapse requirement	5-6
Presentation: Meeting Student Technology Needs	6
REPORT OF THE EDUCATION COMMITTEE	
Revisions to Faculty Personnel Policies and Procedures: UW-Oshkosh	7
Authorization to recruit Vice Chancellor, UW-River Falls	7
Authorization to recruit Dean, College of Engineering, Mathematics and Science, UW-Platteville	7
Authorization to recruit Dean, College of Liberal Arts and Education, UW-Platteville	7
Authorization to recruit Dean, College of Business, Industry, Life Science and Agriculture, UW-Platteville	7
Natural Areas Preservation Council Appointment	7
Named Professorship, UW-Madison	8
Report of the Senior Vice President for Academic Affairs	8-9
Report on remedial education in the UW System	9-10
Report on progress of integration of the extension function	10
Comments on SAVE Commission recommendation	10
REPORT OF THE PHYSICAL PLANNING AND DEVELOPMENT COMMITTEE	
UW-Eau Claire: Authority to construct three residence hall infrastructure projects	11

<u>Subject Index</u>	<u>Pages</u>
UW-Eau Claire: Approval of design report; Authority to construct Brewer Complex capital renewal project	11
UW-Green Bay: Authority to construct two residence life maintenance projects	11
UW-Madison: Authority to construct Camp Randall Memorial Sport Center Floor Replacement project	11
UW-Milwaukee: Authority to purchase and install Biological Sciences Electron Microscope Laboratories equipment	11-12
UW-Oshkosh: Authority to grant easement to City of Oshkosh	12
Progress in addressing deferred maintenance backlog	12
Removal of UW-River Falls project	12
Authority to amend UW System 1995-97 Capital Budget request	12-13
Report of the Vice President	13
Endorsement of building program proposals to SAVE Commission	13-14
Endorsement of all-agency funds concept for maintenance needs	14-15
REPORT OF THE BUSINESS AND FINANCE COMMITTEE	
Alice Hunerkoch bequest	15
1995-97 pay plan recommendations for faculty and academic staff	16
Annual fee for employees participating in tax-sheltered annuity programs	16-7
Overview of instructional technology plan	17
Report on research support, UW-Madison	17
Report of the Vice President	17-18
Audit Subcommittee report	18
ADDITIONAL BUSINESS	
Cancellation of January 1995 meeting	18
Regent meeting cost and scheduling	18-19
CLOSED SESSION ACTION	
Leave of absence, UW-Milwaukee	19-20
Honorary Degrees, UW-Madison	

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in Room 1820 Van Hise Hall

Friday, December 9, 1994

9:00 a.m.

- President Grebe presiding -

PRESENT: Regents Barry, Benson, Budzinski, Dreyfus, Gelatt, Grebe, Gundersen, James, Krutsch, Lubar, MacNeil, Orr, Randall, Schilling, Steil and Tregoning

ABSENT: Regent Hempel

Approval of Minutes

Upon motion by Regent Dreyfus, seconded by Regent Schilling, minutes of the meeting of the Board of Regents held on November 11, 1994, were unanimously approved as distributed.

REPORT OF THE PRESIDENT OF THE BOARD

Report of the Chair of the Council of Trustees of the UW Hospital and Clinics

Summarizing the preceding day's council meeting, Regent Orr reported that admissions this year are up over eight percent from last year, reversing a two-year declining trend. The average length of stay continues to decline and now is about seven days, as compared to an average stay of nine days a decade ago.

Use of outpatient services continues to grow, particularly at the East Side Clinic and the Women's Health Center.

As a result of the admission increases, revenues are about four percent ahead of budget and expenses are slightly under budget. Expenses, however, may be expected to increase in the latter part of the year.

One matter of considerable concern is the issue of medicare cuts in indirect costs which would include the hospital's educational mission. The current rate of more than seven percent is projected to be reduced to three percent, which would result in a loss of about \$10 million a year.

The council asked staff to prepare a report outlining the estimated costs of the educational mission and a recommendation on how the hospital might cope with that loss of funds if it occurs.

The superintendent reported that every effort is being made to avoid a rate increase. UW Hospital currently is somewhat more expensive than its competitors, but that gap is narrowing. There are plans to expand the Eastside Clinic which is an important source of patients.

Wayne McGown, Special Assistant to the Chancellor, provided a report on the heart transplant negotiation. Although the process is taking considerably longer than the participants envisioned, the panel should be completed by the end of December and their recommendations are expected soon afterward. Every effort is being made to implement a single temporary list by December 31.

Reporting that Interim Dean Farrell had made a strong report to the Council, Regent Orr noted that Dr. Farrell recognizes the important issues facing the Medical School, including vacant chairs to be filled in surgery, neurology, and pathology; development of the Clinical Practice Plan; and development of a strategic plan for the Medical School.

Dr. Strother presented a report on the acute stroke program, which is regarded as one of the best in the world. This program, Regent Orr observed, demonstrates strengths of the Medical School and is a reminder of us how important the hospital is to the continued survival of the Medical School, which receives almost 55% of its budget from the hospital. Significant portions of the budgets of the schools of Pharmacy and Nursing also come from the hospital.

Noting the patient volumes needed to perform the teaching and research functions, Regent Orr added that Wisconsin need only look to Minnesota, where the university hospital's patient base has been badly eroded by competition and the University of Minnesota Medical School's national reputation has declined significantly. It is necessary in Wisconsin, he emphasized, to make rapid progress in acquiring practices to be sure that the UW Medical School does not lose momentum.

Regent Krutsch presented a favorable report on quality assurance and announced that preparation for the 1996 Joint Commission visit already has begun.

In discussion at the Board meeting, Regent Gundersen expressed concern about status of the organ transplant program and about erosion of the patient base caused by aggressive recruitment by the Mayo Clinic.

Report of the Regent member of the Educational Communications Board

Supplementing his written report, Regent Gelatt commented that public radio and television will be under budget constraints even more severe than contemplated at the November 18 meeting.

Report on Legislative Matters

A written report was provided.

Resolution of Appreciation: Senior Vice President Bornstein

Regent Steil presented the following resolution and moved its adoption which was affirmed with an ovation in honor of Vice President Bornstein:

Resolution 6822: WHEREAS, Ronald C. Bornstein has served the University of Wisconsin System and the people of Wisconsin with grace, intelligence, distinction and skill as a faculty member in communications, a director of public broadcasting and telecommunication programs, and a senior administrator of the University of Wisconsin System; and

WHEREAS, he took leaves of absence to serve the nation as vice president for telecommunications with the Corporation for Public Broadcasting and acting president of National Public Radio, restoring them to solvency during a time of grave crisis; and

WHEREAS, he has served the local community through his exemplary leadership of United Way of Dane County, the Downtown Madison Rotary Club, the Madison Club, the Madison Arts Center, the Wisconsin Special Olympics, and many other civic projects; and

WHEREAS, he is the recipient of numerous professional honors, including an Emmy Award, the Edward R. Murrow Award for Distinguished Service to Public Radio from the Corporation for Public Broadcasting, and election to the Wisconsin Broadcasters Hall of Fame; and

WHEREAS, he was instrumental in the consolidation of the UW System Administration at two locations and the construction of the 780 Regent Street building; and

WHEREAS, he is retiring on December 31, 1994 from full-time duties as Senior Vice President for Administration, forsaking countless meetings, endless administrative chores and the frigid blessings of Wisconsin winters for a new home in Arizona;

THEREFORE, BE IT RESOLVED that the Board of Regents of the University of Wisconsin System, on behalf of the people of the state, extends sincere appreciation and best wishes to Ronald C. Bornstein upon his retirement; with deep gratitude for his 27 years of university and civic service, his devotion to public broadcasting, his wise counsel to three presidents and many Regents, his advocacy for public higher education, and his tremendous spirit of good will.

Senior Vice President Bornstein remarked that in his 27 years at the UW, he had been a part-time teacher and a full-time administrator at three institutions: UW-Extension, UW-Madison, and UW System Administration. He had the opportunity of teaching undergraduate and graduate courses in public telecommunications for 15 years for the UW-Madison Department of Communication Arts, and the joy of serving as a major professor to Ph.d students who occupy communications policy positions at the

federal level. When two national professional service opportunities came along, the University granted him leaves of absence which enriched his career and allowed him to make a difference in the national arena.

He also had the pleasure of managing WHA Radio and Television--public broadcasting stations that are considered to be among the best in the country.

During his time with the System Administration, he had worked with 36 Chancellors, 11 vice presidents, 15 associate vice presidents, 11 assistant vice presidents, three System presidents, 45 Regents, and 6 Regent presidents. Coming from a charter university--the University of Michigan--he was amazed at how a great university like the UW could exist in such a regulated state government environment. More than anything else, he commented, it is testimony to the staff and faculty of the University--and the good will of the people of Wisconsin who value the importance of a great university.

Commending the presidents of the Board of Regents for their leadership, Vice President Bornstein observed they have been the right people for the right time. He expressed confidence that the Board of Regents, as trustees of one of Wisconsin's major assets, will continue to advocate and demonstrate the highest standards of stewardship that befit one of the premier institutions of higher education in the nation.

He expressed gratitude to the chancellors, faculty, staff, and students who have made his UW career an exceptional experience, and also thanked the highly professional System Administration staff. Among them, he acknowledged Pat Wiczorek and Nancy Westrum--professional secretaries who served with him for a total of 23 years; Vice Presidents Ward, Brown, Marnocha, and Olien; Special Assistant Pat Takemoto; Associate Vice President Judith Ward; and Regent Secretary Temby.

He stated his "profound appreciation to, and unbounded admiration for, Katharine Lyall, a truly great president and good friend and counselor." The state, the UW, and the Board of Regents, he stated, are fortunate to have her as the UW System president.

In closing, he expressed the hope that this and future Boards will abide by President Grebe's principle that Regents should focus on policy issues and respect the rights and responsibilities of management, in order to operate most efficiently for the benefit of the university and the state.

Recognition of Regent Randall's receipt of Teaching Award

President Grebe congratulated Regent Randall for being chosen to receive one of the prestigious awards granted by Ameritech to the outstanding teachers in the Milwaukee public school system.

Report on the Executive Assistant Search

Regent Lubar, chair of the Search, reported that advertisements were run in the *Chronicle of Higher Education*, *The Milwaukee Journal*, *The Wisconsin State Journal* and *Wisconsin Bar Journal*. In addition, letters inviting nominations were sent to private and public sector leaders in the local, state and national levels. The response to this request for nominations has been very good, with over 90 nominations

and applications received to date, and a strong field of candidates is expected. The deadline for nominations and applications is January 1, 1995.

Appreciation for Service-Beverly Zimmerman

It was reported by Regent President Grebe that on January 3, 1995, Beverly Zimmerman was to retire from her position in the Board of Regents Office. During her 15 years with the Board office, she had served with 60 Regents. Individually and as a group, Regent Grebe noted, the Regents and many others throughout the System have benefited greatly over the years from her capable assistance and conscientious work. On behalf of current and predecessor Boards, he expressed appreciation to Ms. Zimmerman for her outstanding contributions to the UW System.

REPORT OF THE PRESIDENT OF THE SYSTEM

Report on \$8.7 million lapse requirement

President Lyall reported receipt of a letter from Secretary Klauser, of the Department of Administration, directing the UW System to lapse \$8.7 million to the state unallotted reserve by January 16, 1995. His letter stated: "In view of the serious 1995-97 budget outlook, the Governor has asked that I take steps to curb nonessential state government spending this fiscal year." It also gave the UW System full discretion to propose where these reductions should be taken, except that they may not be taken from debt service, fuel, or utilities accounts.

Noting that the Governor had exempted the UW from the five and ten percent budget reduction exercise required of all other state agencies, President Lyall stated that the UW also appreciated being treated preferentially in this lapse with recognition that educational opportunity must be sustained. UW institutions have taken prudent cost-reduction measures throughout the fall in anticipation of a 1995-97 shortfall which also will help to handle this reduction. The timing of the cut, coming as it does in the middle of this academic year, however, makes it more difficult to manage since teaching contracts have been signed for second semester and class schedules have been published. The demand for many services, including registration, housing, and advising services peaks at this time, and admissions offices must continue to deal with applications for next year.

Pledging that System Administration will work with the institutions to identify the best way in which to meet this lapse, President Lyall expected that institutions will have to take a number of actions: while second semester enrollments will not be reduced, it will be necessary to reduce the number of ad hoc instructor appointments and a number of sections will have to be combined to form larger ones; planned investments in learning technology will be deferred; and some purchases of classroom laboratory equipment will be suspended. At some institutions, plans to join WonderNet and equip classrooms for compressed video distance education will have to be deferred. Pending appointments and contracts not yet signed will be held until particulars of the 1995-97 biennial budget are known.

In previous years, where mid-year cuts have occurred, the Board has requested authority for a tuition surcharge to maintain course offerings and student services through the second semester. This year, the \$8 million lapse would amount to about

\$70 per FTE student. However, President Lyall stated, she will not recommend a surcharge this year. With larger potential cuts on the horizon in the next biennium, she felt current tuition levels should be maintained throughout the rest of this academic year. Any tuition offsets to base budget reductions should be considered only after specifics of the next biennial budget are known.

On behalf of students, Regent Tregoning expressed appreciation for the decision to not impose a tuition surcharge. He thought students would understand the necessity of the cutbacks that will have to be made.

Presentation: Meeting Student Technology Needs

Removal of Sunset of Lab/Classroom Modernization
and Computer Access Program

Senior Vice President for Academic Affairs, David J. Ward, described the three-fold purpose of the laboratory and classroom modernization and computer access programs:

- to improve the computer literacy of UW students;
- to enhance the competitive advantage of UW graduates in the job market;
- to build the technical quality of the labor pool for Wisconsin.

The programs, have been ongoing since 1984 with an annual allocation of \$8.6 million and currently are scheduled to sunset in 1996. Senior Vice President Ward provided examples of how the funds have dramatically improved the quality of education and the employability of UW students by updating laboratory equipment and facilities, increasing student access to computers, and renovating outmoded classrooms.

A recent survey of UW institutions has indicated that the UW System needs \$138 million to renovate remaining classrooms and labs, and to meet the recommended ratio of one computer per 20 students. Dr. Ward argued that removing the current sunset will assure continued state support in this area, and would also enable the UW institutions to augment those funds by leveraging them with additional corporate and private donations. Coupled with institutional allocations, these programs have proven an effective three-way partnership.

Regent Krutsch asked what became of outmoded computers, to which Dr. Ward responded that they were usually recycled to meet other UW needs, and would eventually become part of state surplus. He also spoke of established protocols for sharing computers, in answer to Regent James's question about how computer use and time was policed in the labs.

Regent Tregoning asked about the relationship of the new student technology fee to these programs, to which Dr. Ward replied that they were complementary in helping to provide students with greater access to information technology.

Regent Grebe commented about the coincidence of this request for continued funding of \$8.6 million and the \$8.7 million budget cut recently imposed on the UW.

Regent Gundersen praised the effectiveness of these programs and urged that the Board keep them in high priority.

REPORT OF THE EDUCATION COMMITTEE

Regent Krutsch presented Resolutions 6823-6829, which had been approved by the Education Committee, and moved their adoption as consent agenda items by the Board of Regents.

The motion was seconded by Regent MacNeil and Regent Tregoning and carried unanimously:

Revisions to Faculty Personnel Policies and Procedures: UW-Oshkosh

Resolution 6823: That, upon recommendation of the Chancellor of the University of Wisconsin-Oshkosh and the President of the University of Wisconsin System, the revisions to Chapters UWO 3.2A, 3.2B, 10A.1., 10.A.2., 10C.3.F., Faculty Personnel Policies and Procedures, University of Wisconsin-Oshkosh, be approved.

Authorizations to Recruit

Vice Chancellor, UW-River Falls

Resolution 6824: That upon recommendation of the Chancellor of the University of Wisconsin-River Falls and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Vice Chancellor.

Dean, College of Engineering, Mathematics and Science, UW-Platteville

Resolution 6825: That upon recommendation of the Chancellor of the University of Wisconsin-Platteville and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Dean, College of Engineering, Mathematics and Science.

Dean, College of Liberal Arts and Education, UW-Platteville

Resolution 6826: That upon recommendation of the Chancellor of the University of Wisconsin-Platteville and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Dean, College of Liberal Arts & Education.

Dean, College of Business, Industry, Life Science and Agriculture, UW-Platteville

Resolution 6827: That upon recommendation of the Chancellor of the University of Wisconsin-Platteville and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Dean, College of Business, Industry, Life Science & Agriculture.

Natural Areas Preservation Council Appointment

Resolution 6828: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents, as authorized by the legislature, reappoints Virginia Kline, Arboretum Botanist and Lecturer, UW-Madison, to a new three-year term

(January 1, 1995 - December 31, 1997) as a University of Wisconsin System representative to the Natural Areas Preservation Council.

Named Professorship, UW-Madison

Resolution 6829: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the status of Professor Joseph Sackett, Department of Radiology, Medical School, UW-Madison, be changed to the John H. Juhl Chair in Radiology, effective July 1, 1995.

Report of the Senior Vice President for Academic Affairs

Sabbatical Leaves

Senior Vice President Ward presented a report that 223 faculty members have been selected to receive sabbatical leaves during 1995-96. Included in the agenda materials were descriptions of what each person intends to accomplish during the sabbatical.

Program Review and Planning

This annual report, which also includes academic program changes and designations approved by System Administration, documents the considerable amount of time and effort expended by faculty and administration in the ongoing work of program review and planning.

Senior Vice President Ward acknowledged the continuing concern for review of program array to guard against unwarranted duplication, as well as growing interest in consolidation and cooperative offerings. He also recognized the realities of the current fiscal climate and the struggle to maintain resources sufficient to sustain the current level of activities. At the same time, he emphasized that new programs which will drive future educational vitality must be allowed to emerge.

In the near future, Senior Vice President Ward will ask the Vice Chancellors to join in examining both the pace of new program development and the joint process that leads to new program authorization, to see whether that process can be refined, shortened, and made more receptive and responsive.

Report on State Postsecondary Review Entity Standards

Senior Vice President Ward presented the Committee with information about the State Postsecondary Review Entity (SPRE) program, a federally mandated program established to deal with the problem of high student loan default rates. Under this legislation, the state is required to establish a SPRE, the principal function of which is to review institutions that trip one of eleven "triggers".

Governor Thompson has designated the Wisconsin Higher Educational Aids Board as the state's SPRE and has appointed a board, of which President Lyall is a member to oversee the SPRE's activities. Wisconsin, Regent Krutsch noted, is taking a least restrictive approach to implementing this program.

UW-Whitewater Vice Chancellor named to accrediting body

It was announced by Senior Vice President Ward that Kay Schallenkamp, Provost and Vice Chancellor, UW-Whitewater, has been appointed to a four-year term on the Commission on Institutions of Higher Education for the North Central Association regional accrediting body.

Video conference on technology in the classroom

Senior Vice President Ward reported on a conference on enabling technology in the classroom, in which more than 75 UW System faculty and staff participated via compressed video. This multi-site conference brought together people from UW-Milwaukee, UW-Green Bay, UW-Eau Claire, UW-Stout, UW-Platteville, UW-Madison and the UW Centers. It is the first conference with that many hook-ups to be conducted by the UW System.

Report on remedial education in the UW System

Regent Krutsch summarized extensive discussion by the Education Committee of the annual report on remedial education, including demographics, remedial completion and student retention.

Regent Benson stressed the necessity to intervene in the junior year of high school to assess what the student needs to do in the senior year in order to enter the UW. High school teachers also must know what the UW expects in English and math preparation. Regent Randall expressed mixed feelings about remedial programs and wondered whether the current focus on School to Work programs will result in a larger pool of students who need remediation. Regents questioned whether any students with ACT scores below 18 should be admitted to the UW, or if so, whether they should be admitted on probation or with restrictions. Senior Vice President Ward noted the need for remediation, especially in math, for many older non-traditional students. Approximately 25% of the UW students who need remediation are older students, while the remaining 75% are traditional age students.

Senior Vice President Ward introduced Professor James Sobota, Department of Mathematics, UW-LaCrosse; Senior Lecturer Ingrid Holzner, Department of Mathematics, UW-Milwaukee; and Debby Weyer, a mathematics teacher from Greendale High School which sends 73% of its graduates to college. The panel discussed the Early Math Placement Testing Program which has had a direct impact on reducing the need for remedial education.

Students in participating high schools are given a test similar to the PSAT in the middle of their junior year. This test indicates whether they are likely to need university remediation or, if not, which university math course they probably will be eligible to enter. The purpose of the program is to raise students' awareness about their possible math difficulties. Students indicate which university they wish to attend and, from their test scores, get immediate feedback from that university on the math requirements for the programs in which they plan to enroll.

Students are encouraged to remove any deficiencies by taking an appropriate math course in their senior year; in fact all students are advised to enroll in a senior year math course to improve or retain their math skills. Professor Sobota reported that students who have 4 years of high school math are more likely to graduate from the university in 4 years.

It was suggested by Regent Krutsch that reexamination of admission policies should include the amount of math that is required for entrance into the UW System.

Both Ms. Holzner and Ms. Weyer presented statistics showing how this testing program has reduced the need for math remediation for students from high schools involved in the program. Professor Sobota noted that a proposal for funding the program on a statewide basis was developed last year by the UW System Office of Academic Affairs and the Department of Public Instruction.

A spirited discussion following, in which it was made clear that a key to the success of such a program is articulation between university and high school faculties. Regent Benson and Senior Vice President Ward agreed to have discussions on implementing a statewide early math placement test and on creating a better dialogue on remediation in English and mathematics between university and high school faculties. Regent Krutsch saw the broader issue as the importance of increasing communication between the UW, DPI, and the K-12 schools.

It was suggested by Regent Tregoning that a similar presentation be provided to the full Board at a future meeting.

Report on progress of integration of the extension function

The report, prepared by UW-Extension and UW institutions, concludes that substantial progress has been made to assure that extension and public service are responsibilities of all campus schools, colleges, departments and faculty.

Noting that the mission of the UW System includes extending knowledge and its application beyond the boundaries of the campuses, Gerald Campbell, Provost and Vice Chancellor, UW-Extension, said the purpose of integration of the extension function is to strengthen partnerships to bring the expertise of faculty and programs in contact with the people who need them.

Howard Thoyre, Provost and Vice Chancellor, UW-Stevens Point, described the operation of Cooperative Extension and the College of Natural Resources at UW-Stevens Point and how UW-Extension, through interinstitutional agreements, helps facilitate programming.

Comments on SAVE Commission recommendation

Noting that the State SAVE Commission was questioning the role of the Department of Public Instruction, Regent Gundersen asked how the public schools could be expected to improve without the guiding force and mission provided by the State Superintendent.

President Lyall commented that Superintendent Benson is moving the Department in the right direction by deregulating and working with the UW to improve teacher education and pre-college programs.

REPORT OF THE PHYSICAL PLANNING AND DEVELOPMENT COMMITTEE

The Committee's report was presented by Regent Dreyfus, Chair.

Regent Dreyfus presented Resolutions 6830-6835, which were approved unanimously by the Physical Planning and Development Committee, and moved their adoption as consent agenda items by the Board of Regents. The motion was seconded by Regent Gundersen and carried unanimously:

UW-Eau Claire: Authority to construct three residence hall infrastructure projects

Resolution 6830: That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, authority be granted to construct the following three Residence Hall Infrastructure projects at a total cost of \$612,000 from Program Revenue Cash - Housing:

(1)	Thomas Hall Electrical Renovation	\$164,300
(2)	Thomas Hall Shower Rooms/Restroom Renovation	\$240,000
(3)	Sutherland Hall Floor Tile Replacement	\$207,700
		\$612,000

UW-Eau Claire: Approval of design report; Authority to construct Brewer Complex capital renewal project

Resolution 6831: That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority granted to construct the Brewer Complex Capital Renewal project at a cost of \$2,324,000 from 1993-95 General Fund Supported Borrowing.

UW-Green Bay: Authority to construct two Residence Life maintenance projects

Resolution 6832: That, upon the recommendation of the UW-Green Bay Chancellor and the President of the University of Wisconsin System, authority be granted to construct two Residence Life Maintenance projects, at a total cost of \$419,000 from Program Revenue Cash - Housing, as follow:

(1)	Residence Life Maintenance Facility	\$194,000
(2)	Residence Life Plumbing Replacement	\$225,000
		\$419,000

UW-Madison: Authority to construct Camp Randall Memorial Sport Center Floor Replacement project

Resolution 6833: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct the Camp Randall Memorial Sports Center (Shell) Floor Replacement project at a cost of \$750,000 from Program Revenues.

UW-Milwaukee: Authority to purchase and install Biological Sciences Electron Microscope Laboratories equipment

Resolution 6834: That, upon the recommendation of the UW-Milwaukee Chancellor

and the President of the University of Wisconsin System, authority be granted to purchase and install Elemental Analysis Research Equipment for the Biological Sciences Electron Microscope Laboratories at an estimated total project cost of \$411,000 from the following funding sources:

National Science Foundation Grant Funds	\$187,000
General Fund Supported Borrowing - WISTAR	<u>\$224,000</u>
	\$411,000

UW-Oshkosh: Authority to grant easement to City of Oshkosh

Resolution 6835: That, upon the recommendation of the UW-Oshkosh Chancellor 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 of Regents to execute an easement to the City of Oshkosh for a strip of land 15 feet wide and approximately .4 mile long that includes the University's existing 9-foot-wide asphalt pathway located immediately adjacent to the Fox River.

Progress in addressing deferred maintenance backlog

Regent Dreyfus noted that a 1990 study had identified a deferred maintenance backlog of \$364 million and that the Board had proposed to eliminate that backlog in 10 years. In the following two biennia, about \$121 million had been provided. Commenting that substantial progress is being made, Regent Dreyfus predicted that the UW should be within 20 percent of its goal by the turn of the century, particularly in view of the Board's commitment to avoid new construction not funded by gifts or other outside sources.

Removal of UW-River Falls project

Upon motion by Regent Dreyfus, seconded by Regent Gundersen, it was unanimously voted to remove from consideration proposed authority to increase the scope and budget of the Ames Teacher Education replacement project at UW-River Falls. The project was withdrawn at the request of the Chippewa Valley Technical College, which was interested in leasing space in the Ames Center but was not ready to move forward at this time.

Authority to amend UW System 1995-97 Capital Budget request

It was moved by Regent Dreyfus and seconded by Regent Gundersen that the following resolution, which was unanimously approved by the Physical Planning and Development Committee, be adopted by the Board of Regents:

Resolution 6836: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the following amendment to the System's 1995-97 Capital Budget request be approved and authority granted to submit it to the Department of Administration:

UW-Madison: Authority to enumerate a Waisman Center Addition and Remodeling project at a total cost of \$17,500,000 from Gift Funds

In response to a question by Regent Gelatt, Vice President Brown indicated that, because projects funded by gifts, grants or program revenue are not prioritized, this project would not affect the prioritized list of other capital budget items. This project will not require expenditure of any GPR or program revenue monies.

Put to a vote, Resolution 6836 was adopted unanimously.

Report of the Vice President

Status report on campus lighting and telephones

This report to the Committee was made in response to a 1991 Board resolution on assessing and reporting on security lighting and emergency telephone systems throughout the UW System. The report showed that, in general, all campuses are well-lighted, although each has identified areas where increased security measures should be addressed. This will be accomplished by installation of additional lighting fixtures, installation of security telephones, or tree and shrub trimming to provide higher street light illumination levels.

Wisconsin Conservation Hall of Fame

Vice President Brown reported to the Committee on completion of the Wisconsin Conservation Hall of Fame addition at the Schmeckle Reserve Center, UW-Stevens Point. The City of Stevens Point contributed \$70,000 to completion of the 2,600 square foot facility.

Endorsement of building program proposals to SAVE Commission

It was moved by Regent Dreyfus and seconded that Resolution 6837, which was unanimously approved by the Physical Planning and Development Committee, be adopted by the Board of Regents.

Vice President Brown explained that any project exceeding \$250,000 in cost must under current law be specifically identified in the authorized building program which is incorporated in the capital budget. It must be approved by the Building Commission, the Joint Committee on Finance and the full Legislature. This proposal would increase the threshold for enumeration to \$1 million.

Regent Dreyfus pointed out that the \$250,000 threshold has been in effect since the 1960s. Moving the threshold to \$1 million would be in accord with the original legislative intent, taking into account inflation since that time.

Regent Gelatt pointed out that the proposals to exempt from enumeration all non-GPR projects would be another major change.

Put to the vote, Resolution 6837 was adopted unanimously:

Resolution 6837: That the Board of Regents of the University of Wisconsin System endorses the following recommendations for modification of state statutes relating to the Capital Budget, as submitted by System President Katharine Lyall to the SAVE Commission, and requests that this resolution of endorsement be forwarded by the President of the Board to the Administrator of the Division of Facilities Development:

- (1) That the exemption from enumeration be extended to include all non-GPR sources, including gifts, grants and agency receipts (program revenues). [Since Building Commission approval would still be needed to construct all projects, further legislative involvement is redundant.]
- (2) That the exemption from enumeration be extended to repair, remodeling and renovation of existing space, so that these kinds of projects would be funded from the UW System's All-Agency allocation. [Enumeration would be reserved for new space projects.]
- (3) That the threshold for enumeration of projects be increased from \$250,000 to \$1 million. [The \$250,000 threshold for enumeration was established in 1967. Cost indices have escalated that figure to well over \$1 million in 1994 dollars. Very few projects start with estimates under \$1 million.]

The following statutory language would accomplish these suggested changes:

20.924 Building Program Execution. (1) In supervising and authorizing the implementation of the state building program under the appropriation authority of s.20.867, the building commission:

(a) Shall authorize the ~~design and~~ construction of any new building space, structure or facility costing in excess of ~~\$250,000~~ \$1,000,000 ~~regardless of funding source that utilizes general purpose revenues~~, only if that project is enumerated in the authorized state building program.

~~(b) Shall authorize the acquisition of land, or the repair, remodeling or improvement to any existing building, structure or facility costing in excess of \$250,000 regardless of funding source, only if that project is enumerated in the authorized state building program.~~

Endorsement of all-agency funds concept for maintenance needs

Presenting Resolution 6838, which was approved unanimously by the Physical Planning and Development Committee, Regent Dreyfus explained that projects currently are funded on a first-come-first-served basis, which does not permit advance planning and prioritization. This problem would be resolved if funding is allocated at the

beginning of the biennium. Upon motion by Regent Dreyfus and seconded by Regent Barry, the following resolution was adopted unanimously by the Board of Regents.

Resolution 6838: That the Board of Regents endorses the concept of an allocation of All-Agency funds to the University of Wisconsin System at the start of each biennium, as supported by the SAVE Commission. Having such an allocation made at the outset of each biennium will:

- (1) allow better long-range planning,
- (2) enhance pro-active management through better priority setting to address the University of Wisconsin System infrastructure needs, and
- (3) address the backlog of deferred maintenance.

Further, that this resolution of endorsement be forwarded by the President of the Board to the Administrator of the Division of Facilities Development.

- - -

REPORT OF THE BUSINESS AND FINANCE COMMITTEE

The Committee's report was presented by Regent Gelatt, Chair.

Alice Hunerkoch bequest

Presenting Resolution 6839, which was approved unanimously by the Business and Finance Committee, Regent Gelatt moved its adoption by the Board of Regents as a consent agenda item. The motion was seconded and unanimously carried:

Resolution 6839: That, upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Extension, the bequest of the late Alice Hunerkoch, Paducah, McCracken County, Kentucky, be accepted; and that the Trust Officer or Assistant Trust Officers be authorized to sign receipts and do all things necessary to effect the transfer for the benefit of the University of Wisconsin, Extension Department

(The Will states:

Article III: I give, devise and bequeath two-thirds (2/3) of the above-mentioned property that I might acquire during my life-time of whatsoever kind and wheresoever situated to the University of Wisconsin, Extension Department, to fund courses in Mathematics, Chemistry and Physics. This bequest is to be made in honor of my brothers, Carlton Hunerkoch, Charles Hunerkoch, and Alice Hunerkoch.

Alice Hunerkoch took courses through UW-Extension during the years 1966 through 1970. The bequest will amount to \$249,808.67.)

1995-97 pay plan recommendations for faculty and academic staff

President Lyall addressed the Business and Finance Committee on the 1995-97 pay plan recommendation for faculty and academic staff. Section 230.12(e), Wis. Stats., permits the Board of Regents to advise the Secretary of the Department of Employment Relations of the average pay plan required to maintain competitive recruitment and retention of unclassified faculty and academic staff. The Secretary is directed to take this information into account in arriving at the pay plan proposal he makes to The Joint Committee on Employment Relations later in the budget process.

President Lyall consulted with the Systemwide Compensation Advisory Committee, which reviewed available information on peer university salaries, the consumer price index, predicted growth in Wisconsin personal income and Wisconsin tax revenues, and average wage increases provided by private industry as estimated by Hewitt Associates and Towers, Perrin.

The UW pay plan of 6% in the 1994-95 annual budget, compared to an estimated average of about 3% for peers, suggests that overall UW faculty salaries should be within 1% of peers when the current year data become available in the spring. Inflation is predicted at approximately 3.5% for the biennium, Wisconsin personal income is predicted to grow about 6%, and Wisconsin tax revenues are projected to grow 5 or 6%. Average private industry wage increases are projected to be 4.1%.

It was noted that the latest information available on peer university salaries is for the 1993-94 academic year. 1994-95 data will not be available until early spring of 1995.

President Lyall presented a recommendation that the Board suggest to the Secretary of the Department of Employment Relations (DER) an average increase of 3.5% to 4.5% in each year of the biennium as the best estimate at this time of what will be necessary to maintain a competitive position.

David Stacy, President, United Council of UW Student Governments, addressed the Committee, stating that the United Council General Assembly unanimously passed a resolution opposed to the pay plan proposal.

Regents asked about the importance of submitting the report at this time. Since the report from the Secretary of DER does not go forward until the spring, Regent Grebe recommended that the issue be deferred due to a desire to have more accurate and current data and due to the belief that this recommendation should not be made in a budget vacuum. The resolution was moved and seconded so that it could be tabled and President Lyall was asked to report current-year data when it is available in the spring.

Annual fee for employees participating in tax-sheltered annuity program

Associate Vice President Wright provided the Committee with an update on the annual fee for employees participating in the Tax Sheltered Annuity Program. At the September meeting, the Board approved a fee not to exceed \$10 per year for participants in the program. At that time the Committee requested a report on discussions between System administrators and the Tax Sheltered Annuity Review

Committee concerning this fee and possible alternatives. Those discussions took place and the TSA Committee subsequently recommended a flat fee to be paid by program participants.

Overview of instructional technology plan

Associate Vice President Alley provided the Committee with an overview of the Instructional Technology Plan. The purpose of the briefing was to describe the directions being considered for distance education and how these plans are being translated into the associated systemwide technology infrastructure. The report outlined the major markets being targeted and the comprehensive technology infrastructure planning process, goals and projects. President Lyall reported that a more comprehensive plan for program offerings should be ready to be presented to the board in February or March 1995.

Adding that part of the discussion concerns student access to computers, Regent Gelatt noted that the goal is 20 students per computer, while the current ratio is about 37 students per computer. Because many students bring their own computers, personal access actually is greater than what the university is providing. Due to low student to computer ratios in K-12 schools, however, even reaching the 20 to 1 goal will provide much less access than students coming into the system in the near future are likely to expect.

Report on research support, UW-Madison

UW Interim Provost John Wiley addressed the Committee regarding the UW-Madison annual report on extramural research support. In 1993-94 the UW-Madison received \$240 million in federal research awards and \$87 million in non-federal research awards. The most recent national data indicate that in 1991-92 UW-Madison maintained a competitive share of federal obligations for university research and development. In terms of total expenditures for research and development, UW-Madison ranked fourth nationally and second in the Big Ten. Fifty-seven individual faculty members each received over \$1 million in research funding.

In response to questions from the Committee as to the major impediments to maintaining a competitive research position, Provost Wiley commented that staffing flexibility is a major constraint for the research effort -- a problem that is addressed both in the Board's budget request and in System and Board recommendations to the SAVE Commission.

Regent Gelatt observed that, while it is important for the board to have a strong focus on undergraduate education, the importance of the research mission to the State of Wisconsin and to the educational excellence of the UW System also should be recognized.

Report of the Vice President

Gifts, grants and contracts

Vice President Marnocha reported that total gifts, grants and contracts for the

six month period ending November 18, 1994, were \$294.6 million, an increase of \$26 million over the previous year. Federal and non-Federal awards both increased by almost \$13 million.

\$8.7 million lapse

The Committee was advised that the Department of Administration has notified the UW System of a required lapse of \$8.7 million for the remainder of the fiscal year.

Audit Subcommittee report

Internal Audit Director Brunkow provided the Subcommittee with a report on the policies and procedures for revenue centers. Audits of Bursar's operations and selected revenue centers have been performed at most of the institutions. Audits are still to be performed at UW-Madison, UW-Milwaukee, UW-Whitewater and UW-Extension. The audits have been designed to include a review of procedures in place and the procedures manuals which have been developed to provide guidance to the personnel in cash handling areas. A major factor in cash handling is monitoring the procedures once they are in place. Generally, controls and operations are good at those institutions having an internal audit function. Two institutions were found to have procedures that need improvement. They will be brought up to standard within the next year.

Vice President Marnocha reported on the procedures to be used when incidents which affect fiscal integrity are discovered. Financial Policy and Procedure Paper #16 describes the procedures to be followed in cases involving embezzlement, theft or financial conflicts of interest in the UW System. The paper was revised in November 1993, to allow Chancellors to initiate an appropriate internal course of action in such cases, including discipline or dismissal of an involved employee, prior to conclusion of investigation by external law enforcement agencies. The Committee recommended that the paper be modified again to require that a reasonable effort be made to seek restitution in all cases.

- - -

ADDITIONAL BUSINESS

Cancellation of January 1995 meeting

Upon motion by Regent Dreyfus, it was voted unanimously that the meetings scheduled for January 5 and 6, 1995, be cancelled.

Regent meeting cost and scheduling

Regent Gundersen suggested that the cost of Regent meetings be analyzed and that consideration be given to reducing the number of meetings from ten per year to six per year as a cost saving measure.

Regent President Grebe indicated that other expenses associated with Regent activity will be examined as well, in order to function more effectively and to reduce expenses wherever possible. He noted, for example, President Lyall's suggestion that the Regents might meet by video conference.

While he concurred that costs should be examined, Regent Gelatt cautioned that the Board should not expect that it will have less work to do, given the budget environment and recommendations coming forward from the SAVE Commission. He predicted that the Board will have substantially more work to do over the next year and did not want to encourage any thought that this work can be accomplished in less time.

Instead of devoting two days to meetings, Regent Budzinski suggested that committee and Board meetings all be scheduled in one day, starting as early and ending as late as necessary.

Regent Dreyfus added that he plans to schedule anticipated short meetings of the Physical Planning and Development Committee for 8:00 a.m. on Friday morning, rather than on Thursday afternoon.

The meeting was recessed at 10:20 a.m. and reconvened at 10:40 a.m.

Regent Schilling cautioned that reducing the number of meetings could well impair the Board's ability to represent the public interest in governing the UW System.

Regent James commented that Regents should be willing to devote the time required to carry out their duties in the most effective manner.

President Grebe closed the discussion by indicating that he will review various options and develop recommendations for the Board.

At 10:55 a.m., Regent Lubar read Resolution 6840 and moved its adoption by the Board of Regents. The motion was adopted on a unanimous roll-call vote, with Regents Barry, Budzinski, Dreyfus, Gelatt, Grebe, James, Krutsch, Lubar, MacNeil, Orr, Randall, Schilling, Stiel, and Tregoning (14) voting in the affirmative. There were no dissenting votes and no abstentions.

Resolution 6840: That the Board of Regents recess into closed session to consider UW-Milwaukee honorary degree nominations, and to consider naming a UW-Platteville facility after a person, as permitted by s.19.85(1)(f), *Wis. Stats.*; to consider salary above the Group 6 maximum, a request for extension of leave of absence, UW-Milwaukee, and appointment of collateral faculty member above Group Six maximum, UW-Madison, as permitted by s.19.85(1)(c), *Wis. Stats.*; and to confer with legal counsel, as permitted by s.19.85(1)(g), *Wis. Stats.*

- - -

CLOSED SESSION ACTION

The Board arose from closed session at 12:15 p.m., having adopted the following resolution:

Leave of absence: UW-Milwaukee

Resolution 6841: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents denies the request of Associate Professor Steven Samerjan, Department of Art, UW-

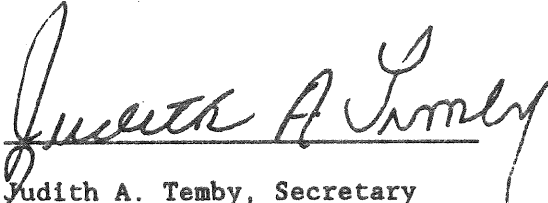
Milwaukee, that his leave of absence be extended beyond the fall semester of the 1994-95 academic year.

The following resolution was adopted at the November 11, 1994 meeting and was not reported at that time, pending acceptance by the nominees.

Resolution 6842: That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the following honorary degree nominations be approved:

Steven E. Ambrose, Doctor of Humane Letters
Carl Djerassi, Doctor of Science
Winfred P. Lehmann, Doctor of Humane Letters
Abner J. Mikva, Doctor of Laws
Roy F. Weston, Doctor of Science

The meeting was adjourned at 12:15 p.m.


Judith A. Temby, Secretary

February 2, 1995