

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

Madison, Wisconsin
Thursday, August 24, 1995

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Madison, Wisconsin

Held in 1820 Van Hise Hall
Thursday August 24, 1995
12:00 noon

- President Grebe presiding -

PRESENT: Regents Barry, Brown, Budzinski, De Simone, Dreyfus, Gelatt, Grebe, Hempel, James, Krutsch, Lubar (participating by telephone), MacNeil, Orr, Randall, Smith and Steil

ABSENT: Regent Benson

Approval of Minutes

Upon motion by Regent Smith, seconded by Regent Krutsch, minutes of the meeting of the Board of Regents held on July 14, 1995, were unanimously approved as distributed.

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25th Anniversary of Sterling Hall Bombing

Regent Gelatt observed that August 24, 1995 marked the 25th anniversary of the bombing of Sterling Hall on the UW-Madison campus. The meeting began with a moment of silence in memory of Robert Fassnacht, the graduate student who was killed in that incident.

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Welcome to Regent Alfred S. De Simone

Regent Grebe introduced Regent Alfred S. De Simone, and welcomed him as the new Regent.

Introduction of Interim Chancellor Womack

President Lyall introduced Jan Womack, who will serve as the Interim Chancellor for UW-Superior.

PLANNING FOR THE UW SYSTEM IN THE 21ST CENTURY

The Board Planning Study for the 21st Century, the first item on the agenda, consisted of small group discussions between the Regents and Chancellors. Before beginning these discussions, President Grebe clarified the goals of the exercise: It is being undertaken not because the system is broken--rather, the UW System remains a "vibrant and vital educational institution." This exercise reflects the Board's belief in continued quality improvement and its desire that the System be in a position to respond rapidly to changes both in the needs of the people of the State of Wisconsin and in the fiscal environment. He observed that the UW System has open deliberations at the Board of Regents level and a tradition of shared decision making. Noting that the last long-term planning effort by the Board of Regents occurred ten years ago, he cited the results of that effort: enrollment management, lateral reviews, professional degree programs, an automated library system with Statewide access, post-tenure review, annual accountability reporting, System-wide quality improvement programs on every campus, improvements in undergraduate education, and national leadership in school-to-work initiatives. Each of these exploits the resources and the advantages of the UW System which have made public higher education in Wisconsin greater than the sum of its individual parts, helping to ensure that resources are used to maintain both quality and access. Regent Grebe expressed his hope that the current Board planning exercise could continue this tradition of success.

Regent Grebe suggested that four points be kept in mind: First, that the exercise is not intended to be a system-wide, full-scale, long-range planning exercise. Rather, it is intended to be a focussed exercise to identify a short list of key topics that warrant the attention of the Board as it looks into the next decade. Second, he underscored the open nature of the process itself, and expressed the desire for intellectually honest and open discussion in which many issues could be considered without incurring censure or judgement for the discussion of controversial issues. Third, he emphasized that the scope of these planning efforts includes the entire UW System, rather than focussing on only one or two campuses. Finally, Regent Grebe stated that the direct participation of all of the Chancellors and of the senior officers

of the UW System is both welcomed and encouraged.

He concluded his remarks with the direction that the day's goal was to discuss a short list of issues to be placed on the planning agenda for the remainder of the year. When invited to comment on the planning exercise, President Lyall expressed her support for the project, noting that it will require a worthwhile investment of time from the members of the Board, and the Chancellors. Noting that building consensus regarding the direction to take for the next decade would be a complex process, she observed that not only had the Board been able to do so in the past, but that it resulted in important policy decisions. She concluded her remarks by expressing her appreciation for the willingness to meet, be intellectually open, and to consider the variety of issues at hand.

Regent Grebe asked Secretary Temby to read the names of the members of each group, which would meet separately before the full board meeting reconvened at 1:30 p.m. The groups were formed with a convener whose responsibility would be to organize discussion and report back to the full Board on issues suggested as important to be considered; each group would also have a recorder who would produce a record of the meeting for future reference. Secretary Temby read the following:

Group 1: Regent Gelatt (Convener); Regent Grebe; Regent De Simone; Chancellor Schnack; Chancellor Perkins; Chancellor Grugel; Sr. Vice President Ward; Bob Jokisch, Recorder.

Group 2: Regent Hempel (Convener); Regent Randall; Regent Dreyfus; Chancellor Ward; Chancellor Thibodeau; Chancellor Culbertson; Sr. Vice President Sanders; Deborah Durcan, Recorder.

Group 3: Regent Orr (Convener); Regent Budzinski; Regent Krutsch; Chancellor Sorensen; Chancellor Schroeder; Chancellor Hanna; Vice President Marnocha; Sharon James, Recorder.

Group 4: Regent James (Convener); Regent Smith; Regent Brown; Chancellor Greenhill; Chancellor Kuipers; Interim Chancellor Thoyre; Vice President Olien; Joan Westgard, Recorder.

Group 5: Regent Barry (Convener); Regent MacNeil; Regent Steil; Chancellor Kerrigan; Chancellor Smith; Interim Chancellor Womack; Vice President Brown; Tom Sonnleitner, Recorder.

At 12:15 p.m., the meeting dispersed into these groups and reconvened at 1:35 p.m.

Items Identified by the Small Groups

Regent Grebe called upon each of the conveners to report on the issues which their groups identified as being high on the priority list for discussion during the process of this planning process. The issues would then be analyzed to see if there is consensus, which would be brought to the Board at the September meeting. He also stated that there would be an opportunity for other interested persons to bring issues to the Board and that there would be consultation with constituencies.

Regent Gelatt, the convener of the first group, cited 7 issues addressed by his group:

- 1) Inter-campus Allocation of Resources--how state tax dollars are allocated to subsidizing tuition and effects on different parts of the state and different groups of students.
- 2) Desired Education Outcomes for the 21st century--what does the baccalaureate degree mean in the 21st century?
- 3) What is the role of the System? Is it a confederation of campuses, or a System--and what is meant by being systematic?
- 4) Financing Quality Public Higher Education;
- 5) Access: Program Array, Economic Access, and Geographic Access;
- 6) Instructional Staff Development to be able to deal with today's students;
- 7) Technology/Distance Education.

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Regent Hempel, convener of the second group, presented the following issues:

- 1) The Role of the Board of Regents and System and its relationship with the Legislature, including the difference between being pro-active or re-active;
- 2) Dealing with an environment of constrained resources, including cost emphasis, and the importance of getting the most productivity out of existing resources;
- 3) Student Access: Tuition Affordability--Perceiving students as customers, and taking the opportunity to work with them to keep the System affordable;
- 4) Revenue Enhancement Opportunities, not only relying on traditional sources of revenue but developing other opportunities;
- 5) Technology and Networking.

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Regent Orr presented the following six items:

- 1) Access and Affordability, including issues of tuition policies, at the graduate level and for certificate programs;--market-based tuition in some instances; cost containment; developing new revenue sources (such as marketing skills and resources provided by System campuses); and enrollment management;
- 2) Effective Board Policy Making, defining the roles and relationships of and between the Board of Regents, System Administration, and the campuses;
- 3) UW System and Campus Mission Review, under which might be found issues of educational accountability, program array, and evaluating the quality of the students admitted and graduating from the institution;
- 4) Effective Management and Policy Making, including internal and external management flexibility; incentive and performance oriented management policies; and aligning priorities and budget allocations;

- 5) Impact of Technology, including distance education, instructional technology in the classrooms, technology and professional development; appropriate use in administrative enterprises; and the impact of technology on the non-traditional student;
- 6) Equal Opportunity, Nondiscrimination, and Affirmative Action issues.

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Regent James presented the following topics:

- 1) Future Curriculum and Technology, including expectations, requirements, technology and what the classroom would look like in the 21st century;
- 2) Program Coordination/Mission Distinction - System-wide Cohesive Programs, with the goal of establishing centers of excellence throughout the state;
- 3) Regents facilitation of process to identify 5-7 initiatives in agreement with Governor/Legislature/President;
- 4) Access (Credits/Terms to Degree/Advising/Diversity), including improving high school advising, and developing a system of contracting with students for time to degree;
- 5) Establish Guidelines for New Revenue Resources;

In regard to the third item, Regent James explained that the group had suggested that Regents facilitate the process to identify 5-7 initiatives in agreement with the Governor/Legislature/President, with the idea that this could be the key to all of the other issues. Regent Smith added his belief that agreement between the Governor, Legislature, the System President and the Regents is based upon all having the same constituency; therefore, improvement of communication between those entities is an important part of the process.

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The final group's work was presented by Regent Barry, who summarized the discussion of the following 5 points:

- 1) Environment, or developing a consensus between the Legislative, Administrative, System, internal and external stakeholders to really understand the direction of current trends;
- 2) Tuition Affordability, including enrollment management, and maintaining high standards, yet reducing artificial barriers to acceptance and admission;
- 3) Program Array--looking beyond controlling competition among campuses, to fostering complimentary offerings; recognizing that some institutions have regional missions and others have statewide missions;
- 4) New Revenue Sources;
- 5) Governance and Management Flexibility, including revisions of governing structure in order to enhance the ability to be entrepreneurial and generate new revenues, and to reward performance.

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At the conclusion of these presentations, President Grebe inquired whether any points needed further elaboration. Regent Krutsch noted that while her group (#3) omitted governance issues from their list, they did agree that they were important and would be addressed in the future. Regent Grebe noted that there will be a symposium on governance issues.

The next step in the planning study will be to analyze which items reflect consensus on issues and to develop a list for the September meeting.

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1995-97 BIENNIAL BUDGET REDUCTIONS

President Lyall first observed the coincidence of the Board planning exercise and the presentation of the biennial budget, since the resource base from which the UW System operates is a key element of the planning process. Her report outlined the UW System's proposal for accommodating the \$43.7 million base budget reduction enacted by the Legislature in the state's 1995-97 Biennial Budget. The budget act requires that the Board of Regents submit to the Joint Committee on Finance by September 1, 1995, reports on three components of the budget reduction.

President Lyall summarized the cuts by pointing out that the main focus of the report is in reductions totalling \$26.9 million consisting of administrative cuts totaling \$10.2 million and general reductions totaling \$16.7 million. Additional reductions include capital planning reductions (\$2.5 million) and \$13.8 million in targeted reductions to UW Hospitals, transfers to the State Historical Society, depreciation, and a variety of other specific cuts. These reductions are partially offset by \$10.7 million in additional tuition and fees, so that the total ongoing cuts to the UW System base are \$33 million.

She noted that this is the first time since the UW System was created in 1971 that the base budget declined in absolute terms after pay plan and costs-to-continue are included. In the years since the 1986 Planning the Future study, the System has experienced \$58.9 million in budget reductions and lapses, including the \$8.7 million mid-year lapse that occurred last January. She expressed concern about the current fiscal environment, particularly: state actions imposing unfunded mandates for pay plan supplements to implement a salary "grid" system for classified employees; administrative chargebacks for DOA and DER services previously provided to all state agencies as central services; and potential reductions by the Federal government in student financial aid and federal support for research. Summarizing the UW institutions' response to budget planning demands, she noted that they have tried to preserve educational quality first, and have sacrificed convenience and rapid response times in services to preserve educational access and quality.

In making these cuts, four sets of instructions and information had to be

kept in mind: (1) legislative intent expressed in the Budget Bill and the Governor's veto message, which stipulated that administrative cuts may not come from instruction and that the general cuts should not affect financial aid, energy costs or debt service; (2) management principles adopted by the Board of Regents last March, which stipulated that administrative cuts should be taken throughout the university and not come exclusively from "institutional support," and that, to the extent possible, libraries, lab/classroom modification, instructional computing, the Family Practice Program, and facilities maintenance should be protected; (3) campus strategic and restructuring plans which institutions have adopted to guide their long-term focus; and (4) the Benchmark Study which provides an indication of how UW System support for students compares to what other public universities are spending.

Sources of the Biennial Budget Reductions

Two-thirds of the total cuts will come from non-instructional activities, including institutional support, academic support, student services, physical plant, research and public service, and farm operations--one-third will come from instructional activities. Instruction has been protected to the extent possible--it constitutes 48% of the UW System total GPR/fees budget but is taking only 32% of the overall cut. Non-instructional activities constitute 52% of the budget and will absorb 68% of the cut, with institutional support absorbing 22% of the total cut, or nearly three times its proportional share of the budget.

Approximately 500 fewer GPR staff positions will be available to serve the increasing number of students: 322 FTE positions, as well as the 42 capital planning positions and 135 QRP positions removed by Joint Finance this spring, will be eliminated. President Lyall pointed out that dollars for additional positions are being cut and positions are being held vacant, so these 500 positions do not represent the total reduction in the workforce for the biennium.

Reductions of Capital Planning Staff

UW System was directed to reduce the capital planning staff and activities at UW System Administration and UW-Madison. In addition to the administrative and general cuts, \$2.5 million and 42.4 FTE positions will be eliminated from capital planning capacity. An agreement has been reached with The Department of Administration concerning the division of responsibilities between UW and DOA capital planning units. UW System institutions will depend much more heavily on DOA capital planning staff for services related to campus renovation and repair projects; UW System Administration staff will focus on assisting the Regents and the institutions in developing capital project priorities and ensuring that they correctly reflect academic needs and instructional program priorities.

Impact on UW System Students

President Lyall noted that it would be unrealistic to expect that \$33 million in budget cuts would not have an impact on students. Calculating that

the total administrative and general cuts amount to \$214 per student, she redefined this amount as more than the amount spent per student for library acquisitions and computer access combined. Administrative cuts will affect the provision of services for students, such as the processing speed of applications for admission, tuition and fee payments, and financial aid; availability of career counseling; decreased computer lab hours; cleanliness of the campus and classrooms; and security personnel. President Lyall noted that efforts had been made to minimize these impacts, and increased use of technology should alleviate some of them; however, she believed that it is important to acknowledge the trade-off between responsive provision of administrative services and the need to preserve access to and quality of instruction.

These budget cuts will have further impact on students: fewer specialized upper division courses will be offered with less frequency; in some cases, courses that had several sections will have fewer but larger sections, which will reduce choices for working courses into student schedules. Some vacant faculty positions may be filled with ad hoc staff, or remain unfilled. Academic support staff reductions will place more advising responsibilities on faculty--which may have some benefits, but which is a non-instructional use of faculty resources. At some institutions, students may experience delays and longer lines in processing transcripts, adding/dropping courses, processing financial aid checks, and reductions in the non-peak hours during which some libraries and laboratory facilities are open.

Faculty and staff will also feel the effects of these cuts, as workloads will increase to accommodate the loss of 500 positions. Technology will be used, when possible, to ease these impacts and help maintain service standards; however, these same budget reductions limit the capacity of the institutions to reallocate for technology investments. In addition, external constituents will feel the effects of these cuts, and President Lyall pointed to the example provided by the institution-specific portion of the report, in which staffing reductions of the Wisconsin Survey Research Laboratory will affect its capacity to do market surveys for outside clients, some public radio and TV programming will have to be eliminated, and much of the continuing education coursework for professionals will shift to complete fee support.

Long-term Effects of the Budget Cuts

President Lyall cited a number of long term effects, expressing concerns that:

- * Ad hoc instructional staff cannot be expected to have the same commitment as faculty or to make the same personal investment in the long-term future of the curriculum and UW System institutions.

- * Administrative cuts will have a negative impact on the students. Comparable private colleges and universities staff these functions at many times UW System's ratios in order to provide services and

response times expected by parents and students in today's market. President Lyall cited the need to remember that a quality educational experience includes classroom and individual instruction, readily available and responsive administrative services, and an enriching social and cultural environment outside the classroom.

- * The UW System's ability to move rapidly into distance education will be affected by cuts in the supplies and expenses budgets and capital equipment budgets. Noting that the Governor and the Legislature had discussed the establishment of a statewide technology fund, she expressed the hope that the Board will urge the establishment of such a fund so that Wisconsin can invest in technology as other states have.

President Lyall noted that the individual institution's cuts are outlined more fully in the document before the Board and that they represent a range of perspectives and judgments by faculty, staff, students, administrative leaders and community members; further, they reflect the strength and the unity of the UW System. She thanked the Chancellors and their staffs for their work within their institutions to manage the budget reduction and complimented the institutions' resilience and resourcefulness to achieve positive changes while minimizing the impact on instruction and staffing. She added that UW System institutions "have experienced a decade of limited resources, in which the significant progress that has been made has often come against the backdrop of base reallocations, tuition and fee increases, a mercurial level of federal support, and campus spending restraint." Noting that the freshmen of 1995 were in the process of preparing for classes to start September 5 and 6, and that most of them would not realize that the UW System is in the process of absorbing its largest cut ever, she suggested that, when these freshmen are juniors and seniors in 1997-99, it may be more difficult to sustain quality and access, especially if the state should choose again to invest elsewhere. She concluded her remarks by reiterating the importance of the Board Planning Study, "because keeping affordable, quality educational opportunity alive is critical to the future of the state and its people."

After these introductory comments, Regent Smith moved the adoption of Resolution 7004, which was seconded by Regent Gelatt.

UW-System: 1995-97 Biennial Budget Reductions

Resolution 7004: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves: (1) the 1995-97 Report on Administrative Reductions and the 1995-97 Report on General GPR Reductions and authorizes their transmittal to the Joint Committee on Finance as directed by Section 9157 (5) and (8g) of 1995 Wisconsin Act 27; (2) the Report on Reductions to the Capital Planning Staff and authorizes its transmittal to the Secretary of Administration as directed by Section 9157 (6) of 1995 Wisconsin Act 27; and (3) the Report on Reallocations to Capital Planning and authorizes its transmittal to

the Department of Administration and the Joint Committee on Finance as directed by Section 9157 (9h) of 1995 Wisconsin Act 27.

Statement Before the Board: United Council

David Stacy and Tim Casper, of United Council, addressed the Board on the subject of the Biennial Budget Reduction. David Stacy noted that the United Council of the University of Wisconsin Student Government represents 24 out of the 26 campuses in the UW System. He expressed concerns which paralleled some of those raised by President Lyall, stating that the budget cuts will impact the quality of the UW System, this year, next year and the next biennium. In general, students will be paying more for less, since the state is providing less than the previous year. Students will face more difficulty getting courses needed for graduation, and they will have a harder time graduating in four years. On specific campuses, despite the best effort of the Chancellors, faculty, staff and students, quality will be affected: Delays at UW-Madison in students' ability to obtain transcripts, degree summaries, and in-house admission advising, will affect students' ability to plan courses for on-time graduation. At UW-Milwaukee, reductions in the College of Letters and Science will result in larger class sizes, less variety in course offerings and more reliance on ad hoc faculty. Fewer classes will be offered by the UW-Eau Claire College of Business, and courses will be offered on a cycle which reduces student access to degree programs if they miss a component of the cycle. At UW-La Crosse, reductions in instructional staff will result in more ad-hoc faculty and eliminate higher-level electives. At UW-Platteville, reductions affect the University's Outreach and Continuing Education programs and will alter its ability to serve businesses in the region. Mr. Stacy stated that each of these examples illustrate the impact on educational quality, and that increases in time to graduation force students to stay longer and pay more for less. He noted that the university will survive these cuts, but that it needs to look forward into the next biennium and start working now to get more resources. In addition, the issue of affordability is particularly important, because the Federal Government is considering measures to reduce financial aid, which means that many students who are coming back to UW System institutions on September 7, 1995 will not be coming back in 1996.

Tim Casper expanded on the issue of affordability, explaining that decisions by the Federal Government will have an effect on how students afford higher education in the State of Wisconsin. In light of system-wide tuition increases UW System students will have to find more money to go to school this fall. Measures being considered by the Federal Government, including the elimination of students from the Pell Grant Program, the removal of the grace period and the Federal Government payment of interest on student loans while students are in school, all serve to increase the cost of higher education. Noting that these decisions are still being considered, Mr. Stacy encouraged the Board to take positive action and contact Wisconsin's Senators and Representatives to help show that students and educators are concerned about these cuts. Declaring an "Education Emergency" in Wisconsin, he asserted that the Chancellors and students are in jeopardy, and suggested the Board to contact members of the committee and urge them not to make the proposed cuts.

Discussion of Resolution 7004

Regent Grebe invited the Regents and Chancellors to ask questions or make additional comments. Regent Barry asked what would happen if the Joint Finance Committee does not approve the UW System Reductions. President Lyall responded that, in view of the fact that any such decision would come after the academic year had begun, efforts had been made to scrupulously follow the legislative intent and guidelines initially laid out by the budget bill.

Regent Gelatt noted that when he first came on the Board, time to degree and course access problems were a pressing issue; he expressed the hope that they would not continue to be problems at the time of his departure from the board. President Lyall invited the Chancellors to respond, stating that the institutions have been working hard on the "gateway course" problems; Chancellor Schnack responded that if students need a course in order to graduate on time, the administration will see that they are able to get into the course. He added that, given the direction of the budget cuts and the potential for the next biennium to hold further cuts, he and the other Chancellors must do "a very difficult job," and that it was discouraging and difficult to maintain enthusiasm for higher education in this environment. Chancellor Kuipers noted that, at UW-La Crosse, efforts made by the faculty, deans and departments raised the number of complete student schedules from 70% to 92%. Chancellor Greenhill reported that UW-Whitewater does a "demand analysis" to determine course needs and adjust the budget before final registration. Regent Gelatt observed that these responses to the problem were in areas which would be the focus of administrative budget cuts, and expressed the hope that the cuts would not affect the students' ability to move through the system.

Regent Krutsch inquired about the flexibility of the budget cuts, asking whether the UW System has reduced flexibility in the first year of the biennium in the form of a Legislative mandate to make proportional cuts at each campus. President Lyall reported that there was a great deal of discussion on that issue, with the result that the governor vetoed the requirement for proportional cuts across UW System campuses; however, that veto occurred too recently to affect this proposal. She stressed that while the report under discussion covers both years of the biennium, the flexibility to modify the cuts for the second year does exist, in which event it would come back before the Board and the Joint Finance Committee for the second year. Regent Krutsch noted that, if the flexibility to modify the cuts in the second year of the biennium exists, it would be important to evaluate the impact of the cuts and establish priorities. A general time frame for this process was discussed, and it was determined that any modifications would have to be considered in the December 1995 or February 1996 meeting.

Chancellor Kerrigan expressed his concern that, while the institutions may be able to accommodate demands, they will not be able to continue to solve problems without increased revenue. Chancellor Thibodeau noted that UW-River

Falls is considering establishment of contracts with students guaranteeing a four-year graduation by following certain programs.

Regent Smith commented that he had expressed his desire earlier to see the UW System through the eyes of the students, and that he wanted to note that he was sensitive to the needs of the students; however, he also noted that the phenomena of reallocating resources and adjusting to budget reductions was one which is occurring nationwide, in all segments of the economy. He expressed his belief that the current budget cuts were responsible and necessary to meet the demands of management today. Regent Dreyfus responded that the UW System faced unusual reductions when compared to its peer institutions of higher education.

Commenting on the question of completion of degree in four years, Regent Dreyfus observed that many of these problems began when students gained more flexibility in course choices, and that a review of course selection over the four years of a student's attendance would reveal where the problems were, and whether they were "self-inflicted" or institutional.

Regent Orr noted with regret that the Legislature deleted the Governor's initiative for distance education from the budget. That deletion limits the use of a device which could help maintain quality in the face of reduced resources. Regent Orr also noted that public bureaucracies have come to react to a reduction in resources by reducing their services to the public, and he expressed the hope that service standards would be maintained in spite of these reductions.

Regent Steil asked whether developing revenue from private or other sources was being explored as a means of restoring some of the lost funds for programs such as distance education programs, which, in his perspective, provide the only way to improve the efficiency of the UW System in the next five years. President Lyall responded that the institutions will continue to seek grants, and will continue to be creative in developing arrangements to trade programming services for software and hardware. She noted that the negative result of this is that constructing an integrated system is difficult because each campus has to use what it gets from whatever vendor or donor it finds. While this is better than nothing, it is far from the integrated, coordinated distance education program for which she had hoped. Regent Steil then asked for a report on progress in that area, after a reasonable period of time.

UW-Extension, according to Chancellor Hanna, reallocated about \$200,000 of its budget to distance education about two years ago, and every other chancellor reallocated funding out of their budgets to expand their own distance education. After 2 years, a lot of progress has been made without additional support. Now that those reallocated funds have been used, the process of finding funds must begin again, and the second round may be more difficult than the first. He suggested that external assistance is needed, and that work should be done on getting grants. Regent Smith agreed, but added that the question of costs will continue to be difficult and will serve to test the abilities of the Board and the UW System; furthermore, he expressed the opinion that, in addition to pursuing traditional sources of

revenue, the system will have to address new ways of raising revenue and remove barriers that stand in the way of doing so.

Regent Gelatt noted that, as President Lyall had already pointed out, one short term response to budget reductions will be a substitution of temporary instructors; however, he perceives these difficult times as long term changes which will require more permanent responses. Regent Barry commented that the likelihood of getting more money is small. He expressed concern that the Legislature may demand that the needs of future students be met without regard to the cuts being made. Regent Barry emphasized the utility of the Board Planning Exercise for modeling the outcome of potential future budget cuts in advance, to be better prepared for that reality.

Chancellor Ward described the difficulties faced by the chancellors, who must see to the enhancement of the undergraduate educational experience while at the same time reallocating funds--sometimes on short notice--and attempting to develop other sources of revenue. He addressed the challenges of attempting to raise funds from the private sector, which sees that State support is being reduced. As an indicator of the hard work, creativity and entrepreneurial efforts being made, he pointed toward the fact that UW-Madison's revenue from Federal grants increased 10% despite overall decreases in the availability of Federal funds. Relative to its peer institutions, Wisconsin is one of the few states that is giving less money to higher education at this time.

Regent MacNeil added her belief that the Board should be proactive and should be talking with the Governor, the legislators and the various constituencies: the quality of the UW System is something that will affect the entire state.

Regent Krutsch asked if there had been a change in the number of dollars spent per student; Vice President Marnocha replied that, currently, the UW System is very close to the national average. President Lyall noted that this is an improvement (due to enrollment management) that has taken years to achieve, since the UW System lagged behind the national average by \$700 per student. The current budget cuts will decrease the per student funds by about \$214, representing about one-third of the gains made.

Regent Barry added that he believed that another aspect of the Board Planning Exercise might be to explore increasing the partnership with Wisconsin Technical College System and the K-12 system. Expressing his concern about the attrition rate of the UW System, he suggested that better advising and exploration of more appropriate post-secondary educational opportunities might to ensure a better allocation of resources for all Wisconsin students. Chancellor Grugel added that it was important to recognize that students arrive on campus with a wide range of issues that need to be addressed, and in planning for the future, the UW System must evaluate how budget reductions affect institutions' abilities to address all of the students' needs. Chancellor Kuipers noted that it is critical to go back to an issue raised by President Lyall: the UW System has been the engine of economic growth, political ingenuity and innovation for the State of Wisconsin. She suggested that the critical question that should be asked is

how the System can be structured in a way to answer the needs of the citizens of Wisconsin, as they continue their education and reengineer their lives, time and again.

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ADDITIONAL BUSINESS

At 3:08 p.m., the Board of Regents recessed for 10 minutes, reconvening at 3:18 p.m. At this time, Regent Lubar read Resolution 7005 and moved its adoption. The motion was seconded by Regent Randall, and was adopted on a unanimous roll call vote, with Regents Brown, Budzinski, De Simone, Gelatt, Grebe, Hempel, Krutsch, Lubar, Orr, Randall, and Steil voting in the affirmative.(11) There were no dissenting votes and no abstentions.

Resolution 7005: That the Board of Regents recess into closed session to consider approval of salaries above the maximum of Group 6 of the Executive Pay Plan, as permitted by s.19.85(1)(c), *Wis Stats.*, and to consider personal histories related to an Honorary Degree Nomination, as permitted by s.19.85(1)(f), *Wis. Stats.*

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CLOSED SESSION ACTION

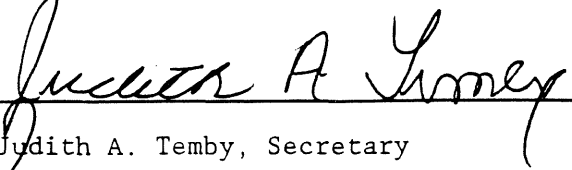
At 4:05 p.m., the Board arose from closed session and announced the adoption of Resolution 7006.

Request for approval of a salary above the maximum of Group Six of the Executive Pay Plan

Resolution 7006: That, upon the recommendation of the President of the University of Wisconsin System, the salary of Jan G. Womack be set at an annual rate \$102,000 effective immediately, for the period of her appointment as Interim Chancellor of the University of Wisconsin-Superior.

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The meeting was adjourned at 4:05 p.m.


Judith A. Temby, Secretary



Board of Regents of The University of Wisconsin System

1860 Van Hise Hall, 1220 Linden Drive
Madison, Wisconsin 53706
(608) 262-2324

ERRATA for the August 24, 1995 Minutes of the Meeting of the Board of Regents of the University of Wisconsin System

1. On Page 9, following President Lyall's statement regarding Resolution 7004, in the paragraph beginning with the sentence "After these introductory comments, Regent Smith moved the adoption of Resolution 7004, which was seconded by Regent Gelatt," the following sentence should be added:

"Resolution 7004 passed unanimously."

2. On Page 12, the first full paragraph (beginning "Regent Smith commented") should be altered as follows (deletions are indicated by strikeout, additions by underlining):

Regent Smith commented that he had expressed his desire earlier to see the UW System through the eyes of the students, and that he wanted to note that he was sensitive to the needs of the students; however, he also noted that the phenomena of reallocating resources and adjusting to budget reductions was one which is occurring nationwide, in all segments of the economy. He expressed his belief ~~that the current budget cuts were responsible and necessary to meet the demands of management today.~~ that the management should brace themselves for an environment of tight budgeting and an environment which tests the mettle of management. He commented that "at the end of the day, our results will identify just how good we [the UW Board of Regents and System Administration] are as managers." Regent Dreyfus responded that the UW System faced unusual reductions when compared to its peer institutions of higher education.