

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Milwaukee, Wisconsin

Held in the Fireside Lounge, Student Union

Friday, June 7, 1996

8:30 a.m.

Item	Page
APPROVAL OF MINUTES.....	1
REPORT OF THE PRESIDENT OF THE BOARD	1
REPORT OF THE WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD	2
REPORT OF THE COUNCIL OF TRUSTEES AND HOSPITAL AUTHORITY BOARD.....	2
REPORT OF THE EXECUTIVE COMMITTEE MEETING [EXHIBIT A: MINUTES OF 5/15/96 MEETING].....	2
RESOLUTION OF APPRECIATION TO REGENT LEE SHERMAN DREYFUS	2
REPORT OF THE PRESIDENT OF THE SYSTEM.....	4
FAREWELL TO REGENT DREYFUS	4
PRESENTATION: "STRATEGIC PLAN FOR THE FUTURE OF THE UNIVERSITY OF WISCONSIN-MILWAUKEE"	4
THE GRADUATING CLASS OF 1996	6
GOOD NEWS	7
<i>UW-Milwaukee: Milwaukee Press Club Best Commentary Award</i>	7
<i>UW-Milwaukee: Summer Institute on Non-Violence</i>	7
<i>UW-Milwaukee Golda Meir Library</i>	7
<i>UW-Parkside: Ranger Softball</i>	7
<i>UW-Madison: Outstanding Research Park Award</i>	7
REPORT OF THE EDUCATION COMMITTEE.....	8
CONSENT AGENDA ITEMS.....	8
1996-97 TENURE DESIGNATIONS AND NEW TENURED APPOINTMENTS	8
NEW PROGRAM AUTHORIZATION, B.S. ENGINEERING PHYSICS, UW-PLATTEVILLE	8
AUTHORIZATION TO RECRUIT: ASSOCIATE PROGRAM DIRECTOR, GENERAL CLINICAL RESEARCH CENTER, AND ASSOCIATE PROFESSOR OR PROFESSOR, MEDICAL SCHOOL, UW-MADISON, (AT A SALARY THAT MAY EXCEED THE EXECUTIVE SALARY GROUP 6 MAXIMUM.....	8
NAMED PROFESSORSHIP: SEWELL-BASCOM PROFESSOR OF SOCIOLOGY	9
NAMED PROFESSORSHIP: ROTHERMEL PROFESSOR OF AGRONOMY, UW-RIVER FALLS	9
NAMED PROFESSORSHIP: WISCONSIN DISTINGUISHED PROFESSOR OF FORESTRY, COLLEGE OF NATURAL RESOURCES, UNIVERSITY OF WISCONSIN-STEVENS POINT (REAPPOINTMENT).....	9
REPORT OF THE SENIOR VICE PRESIDENT: UW-MILWAUKEE PRESENTATION, "TEACHING AND LEARNING IN THE VIRTUAL CLASSROOM"	9
PANEL DISCUSSION: "URBAN EDUCATION: WHAT WORKS"	10
REPORT ON INFORMATION TECHNOLOGY PLANNING: DIRECTIONS AND PRIORITIES.....	10
REPORT OF THE BUSINESS AND FINANCE COMMITTEE.....	10
CONSENT AGENDA ITEMS.....	10
CONTRACTUAL AGREEMENT WITH SANDOZ CORPORATION	10
CONTRACTUAL AGREEMENT WITH CERTEC, INC.	11

TRUST FUNDS: ENDOWMENT UPDATE.....	15
1996-97 OPERATING BUDGET AND FEE SCHEDULES INCLUDING CHANGES TO 1996-97 BUDGET REDUCTION PLAN ...	16
AGREEMENTS WITH FOR-PROFIT ORGANIZATIONS	16
UW SYSTEM BEST BUSINESS PRACTICES PROJECT.....	17
UW-MILWAUKEE CQI PRESENTATION: STREAMLINING PROCUREMENT WHILE ACHIEVING EFFICIENCIES	17
UPDATE: UW PROCESSING CENTER MERGER.....	17
DEFERRED ITEM.....	17
GIFTS, GRANTS AND CONTRACTS	18
AUDIT SUBCOMMITTEE	18
REPORT OF THE PHYSICAL PLANNING AND DEVELOPMENT COMMITTEE	18
APPROVAL OF CONSENT AGENDA ITEMS	18
UW-MADISON: AUTHORITY TO CONSTRUCT A COGENERATION/ELECTRIC DISTRIBUTION PROJECT IN THE CHARTER STREET HEATING PLANT	18
UW-MADISON: AUTHORITY TO CONSTRUCT A SURFACE PARKING LOT PROJECT	18
UW-MILWAUKEE: APPROVAL OF THE DESIGN REPORT AND CONSTRUCTION AUTHORITY FOR BOLTON HALL REMODELING.....	19
UW-MILWAUKEE: AUTHORITY TO CONSTRUCT SANDBURG HALL WEST AND NORTH TOWERS MAINTENANCE PROJECTS	19
UW-OSHKOSH: APPROVAL OF THE DESIGN REPORT AND AUTHORITY TO CONSTRUCT A NURSING EDUCATION BUILDING LECTURE HALL REMODELING PROJECT.....	19
UW-STEVENS POINT: AUTHORITY TO PURCHASE FOUR ACRES OF IMPROVED PROPERTY.....	19
UW-STOUT: AUTHORITY FOR OFFICERS OF THE BOARD TO EXECUTE DOCUMENTS CONVEYING LAND TO THE DEPARTMENT OF TRANSPORTATION.....	19
UW-WHITEWATER: APPROVAL OF THE DESIGN REPORT, REFLECTING A CHANGE IN THE SCOPE OF WORK AND AUTHORITY TO CONSTRUCT THE HYER HALL RENOVATION PROJECT	20
UW-EXTENSION: THE WISCONSIN CENTER RENOVATION AND ADDITION FOR DISTANCE EDUCATION PROJECT	20
UW SYSTEM: AUTHORITY TO RESCIND RESOLUTION 40 (12-17-71) AND TO DELEGATE TO THE CHANCELLORS AUTHORITY TO DEPUTIZE UNIVERSITY POLICE OFFICERS.....	20
UW-MILWAUKEE LONG RANGE CAMPUS DEVELOPMENT PLANS	21
RESOLUTION OF APPRECIATION: VICE PRESIDENT PAUL BROWN	21
ADDITIONAL RESOLUTIONS.....	21
RESOLUTION OF APPRECIATION: UW-MILWAUKEE.....	21
CANCELLATION OF THE JULY MEETING	22
ELECTION OF OFFICERS OF THE BOARD OF REGENTS.....	22
UNFINISHED OR ADDITIONAL BUSINESS.....	23
COMMENDATION: LEE SHERMAN DREYFUS	23
CLOSED SESSION	24
REQUEST FOR REVIEW OF A TENURE DECISION AT UW-OSHKOSH	24
APPOINTMENT OF CHANCELLOR, UW-STEVENS POINT	24
ACTION ON SALARY ADJUSTMENTS	24
PROPOSED CONTRACT ADJUSTMENT: UW-MADISON.....	24

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Friday, June 7, 1996
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- President Grebe presiding -

PRESENT: Regents Barry, Benson, Brown, DeBraska, DeSimone, Dreyfus, Grebe,
Hempel, James, Krutsch, Lubar, MacNeil, Orr, Randall, Smith and Steil

ABSENT: Regent Gelatt

Approval of Minutes

Upon motion by Regent DeSimone, seconded by Regent Steil, minutes of the meeting of the Board of Regents held on May 9 and 10, 1996, were unanimously approved as distributed.

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REPORT OF THE PRESIDENT OF THE BOARD

Regent Grebe began the meeting by inviting several people who wished to address the Board to register with the Secretary.

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Report of the Wisconsin Technical College System Board

A report concerning the Wisconsin Technical College System Board had been provided by Regent Barry; there were no questions regarding that report.

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Report of the Council of Trustees and Hospital Authority Board

Regent Orr reported that the hospital continues to operate well, revenue is up slightly for the year, and the average daily stay continues to decline modestly. He added that Resolution 7199, approved by the Board on May 10, 1996, had been approved by the Joint Committee on Finance. He concluded that everything is in place for the authority assume operation of the hospital on July 1, 1996. There were no questions following this report.

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Report of the Executive Committee Meeting

President Grebe noted that the Executive Committee had met May 15, 1996 regarding the appointment of a Chancellor at UW-Superior. [A copy of those minutes are attached as Exhibit A.]

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Resolution of Appreciation to Regent Lee Sherman Dreyfus

Regent Lubar read and moved the adoption of Resolution 7219, which was seconded by Regent Randall. It passed unanimously with a show of applause.

Resolution 7219: Whereas, Lee Sherman Dreyfus has completed seven years of distinguished service as a member of the Board of Regents of the University of Wisconsin System; and

Whereas, he brought to the Board a distinguished career of top-level leadership as Governor of the State of Wisconsin; Chancellor of the University of Wisconsin-Stevens Point; President of Sentry Insurance; and as a nationally recognized public speaker; and

Whereas, throughout his four-year tenure as Chair of the Regents' Physical Planning and Development Committee, he has demonstrated his strong commitment to providing the best possible environment for teaching and learning and has placed priority on facility maintenance, repair and renovation in order to maximize the efficient use of space; and

Whereas, his leadership has been instrumental in successfully addressing deferred building maintenance needs and in preparing campus facilities for effective use of instructional technology; and

Whereas, in his capacity as the Chair of the Working Group on Instructional Technology and Distance Education of the Board's Study of the UW System in the 21st Century, he has advanced important initiatives that will expand access to students and help to remove time and place as barriers to learning; and

Whereas, he also has lent his knowledge and experience to service on the Board's Personnel Matters Review Committee and Special Regent Committees on appointment of Chancellors for UW System institutions; and

Whereas, the Board's deliberations have benefited greatly from his wise counsel; from the historical perspective he has brought to matters before the Board; and from his ability to view issues in broad context;

Now, therefore, be it resolved that the Board of Regents of the University of Wisconsin System hereby thanks and commends Lee Sherman Dreyfus for the exceptional public service he has rendered to the UW System and the people of Wisconsin; and

Be it further resolved that, with great appreciation and respect for the significant contributions that he has made, the Board of Regents grants to Lee Sherman Dreyfus, upon his retirement from the Board, the status and title of Regent Emeritus.

Observing that he had attended his first Board of Regents meeting in the fall of 1962 when he had been asked to develop a statewide educational television network, Regent Dreyfus said that he has watched Regents ever since -- as a professor at Madison, as Chancellor at Stevens Point, as a Governor, and as a member of the Board. He praised this Board as a "truly good group of Regents" who understand their mission. He noted that, in many respects, the state of Wisconsin is "average" when its statistics are compared with those of other states; however, it is nationally distinguished in higher education, "because from day one, the people who founded this state understood that the future was going to be based on

those who had children who were given the opportunity of higher education." Regent Dreyfus concluded his comments by stating that he would miss his colleagues on the Board and in the UW System.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Farewell to Regent Dreyfus

President Lyall began her report by adding her comments on the departure of Regent Dreyfus, thanking him for his wit and his wisdom and for sharing his vast knowledge of the history of the UW System and Wisconsin state government. His constant reminders that the greatness of a university rests on the creativity of its faculty and the importance of defending the academic freedom that protects that creativity were also appreciated.

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Presentation: "Strategic Plan for the Future of the University of Wisconsin-Milwaukee"

In May 1996, UW-Madison Chancellor David Ward discussed the challenges and complexities of strategic planning at UW-Madison, which demands an appropriate degree of institutional alignment in a complex and a highly decentralized institution. Introducing Chancellor John Schroeder, President Lyall noted that UW-Milwaukee faces similar planning challenges, but has the additional complexities of being in an urban setting. After having undertaken a two-year long planning process, UW-Milwaukee had arrived at some key initiatives which Chancellor Schroeder presented.

Chancellor Schroeder was joined by Professor Arthur Brooks, who was described as one of the faculty leaders in the academic planning process. Chancellor Schroeder indicated that the challenge UWM faced was to create direction, alignment and institutional focus for a large, complicated and relatively de-centralized university. At the same time, it was important that the institution remain adaptable and flexible to the ongoing changes in the higher education environment while these priorities were being set. Chancellor Schroeder stated that the contributions of faculty were considered critical to the process; joining them on a 24-member academic planning committee, were the president of the student association, representatives of the Academic Staff, Deans, and other campus administrators. The committee (chaired by Provost Kenneth Watters) was charged with developing a campus "vision statement" as well as a series of initiatives to implement a strategic plan based on that vision. Professor Brooks reported that the committee began by developing the vision statement, then gathered input from community leaders during a forum to ascertain how UWM is currently perceived, performed a "self-inspection" to determine current strengths and weaknesses and concluded by drafting, soliciting feedback on, reviewing and revising

initiatives which were submitted to the Chancellor in its final report. Professor Brooks elaborated on several key areas gleaned from the information-gathering portion of the process: that information about the high quality of UWM graduates could be better disseminated, as could UWM's contributions to the city of Milwaukee; that its urban location on a Great Lake offers UWM many unique problems to study; and that the diverse student body, high rates of transfer into UWM, retention and graduation rates, and fluctuating enrollments offer other challenges.

The committee's recommendations rest on the framework of UWM's history as a nationally recognized urban research university which has provided high quality research and instructional programs; guaranteed educational access for a broad array of traditional and non-traditional students and increased student diversity to reflect the changing and growing population of the Milwaukee metropolitan area; promoted public service and research efforts directed toward meeting the needs of the social, economic, educational and cultural needs of Milwaukee and Wisconsin; ensured a campus community that values human diversity and promotes free and open inquiry; and maintained an attractive and safe campus. Chancellor Schroeder observed that the objective developed by the committee is straightforward: That UWM will be one of America's premier urban universities within the next decade, recognized for its excellence and dedication to the principle that the education of its students is its primary purpose. The achievement of this objective will not only increase the value of a UWM degree for its students, but will also increase the value of UWM within its community. To accomplish this, UWM will focus on four priorities:

- Strengthening and more effectively integrating the university's central functions of creating, disseminating and applying knowledge;
- Stabilizing the university's enrollment and resources;
- Expanding the use of technology across the campus; and
- Enhancing the campus learning and working environment.

The implementation of these priorities relies on several initiatives and specific tactics to bring these forth. For example, the first set of initiatives includes improving UWM's position in the Carnegie ranking of Research II universities, enriching the learning experience of UWM students, expanding UWM's urban mission and "reinforcing its commitment to enhancing the quality of life and economic base of the Milwaukee metropolitan area and the State of Wisconsin." To accomplish these, Chancellor Schroeder cited tactics that include such specific strategies as implementing and revising the campus-wide research plan, restructuring the Graduate School, organizing instruction around a "paradigm of discovery" to engage undergraduate and graduate students in research, and to better organize and coordinate partnerships, alliances and collaboration with Milwaukee area businesses, governmental agencies, educational institutions, arts groups and neighborhoods. The achievement of the second priority will rely on an initiative focussed on increasing student enrollment and resources through a number of tactics, including meeting its enrollment management III target, improving retention and timely graduation of students, reallocating existing resources and increasing private sector gifts and revenue-producing activities. The third priority initiative is to employ appropriate information and communication technology to improve the academic, student service and business operations of the campus. The final priority is supported by an initiative to improve the support systems and physical facilities that make the campus environment conducive to learning and working. Tactics for the latter initiative range among

augmenting services, improving classrooms, improving employee professional development, and expanding residence halls, sports, recreation and parking facilities.

Chancellor Schroeder noted that implementation of these priorities will be incremental and wide-ranging, since it will involve many people and areas on campus. Accountability will be assigned to administrative and governance units, and campus resource and budget allocation will be used to direct and achieve that process. In some areas (such as EM III and the Campus Research Plan), implementation is underway; others are under development. An annual report from the Chancellor will be made beginning in June of 1997. Concluding his report, he stated that UWM needs support from UW System Administration, the Board of Regents, and the State Government to achieve these priorities. Citing the need for maintaining competitive salaries for highly skilled faculty and administrative staff and stabilizing the budgets of the university and the System, he also requested assistance in securing additional resources in particular areas (e.g. technology), and support and belief in UWM's efforts to achieve these objectives.

In discussion following this presentation, Regent Krutsch expressed her opinion that this is an excellent plan, and asked for more information on increasing the quality of undergraduate education. Chancellor Schroeder replied that the goal is to put the undergraduate student in the center of the academic enterprise by involving them more in research and integrating them into activities in laboratories, libraries and direct experience in the classroom. He cited the Freshman Scholars Program as one which allows freshmen to participate in seminar discussions and critical analysis as actively engaged students. President Lyall stated that UWM would have the full collaboration and cooperation of System Administration for these efforts.

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The Graduating Class of 1996

President Lyall noted that the graduating class of 1995-96 had recently completed their academic year. UW institutions across the state graduated 11,800 baccalaureate students and 3,200 students with advanced graduate and professional degrees. The majority of these graduates will remain in Wisconsin, contributing to its economic productivity and quality of life. Citing the many fields in which UW graduates will apply their talents throughout society, President Lyall observed that spring job surveys report that the market for these graduates is brisk, with starting salaries for technical majors highest and salaries for liberal arts majors rising. She projected that this year's UWS graduates will earn over \$450 million in income and pay more than \$20 million in state income taxes next year; over their working lifetimes, each will earn roughly \$500,000 more than they would have without a college degree and will pay at least \$25,000 more in state income taxes as a result of increased productivity and earning power.

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Good News

UW-Milwaukee: Milwaukee Press Club Best Commentary Award

President Lyall congratulated Professor Alex Molnar for winning the Milwaukee Press Club's "Best Commentary" award for his work on WUWM Public Radio. This year, WUWM won more awards than any other Milwaukee radio station in this annual competition.

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UW-Milwaukee: Summer Institute on Non-Violence

The Friends of Peace Studies at UWM is holding a Summer Institute on non-violence for students in 7th, 8th, and 9th grades. The Institute, co-sponsored by the Pre-College Center at UWM, gives adolescents an opportunity to share concerns about violence and learn conflict resolution techniques. President Lyall reported that parents of last year's participants have noted that their children avoided fights and took more responsibility for their own actions as a result of what they learned at the Institute.

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UW-Milwaukee Golda Meir Library

The Golda Meir Library is holding an exhibit entitled "The Classic Text." Highlighting the text as cultural artifact, the exhibit includes more than 130 items including a 1502 example of the first italic typeface, the first illustrated edition of Milton's Paradise Lost, and works from the Bible. The exhibit asks what causes a text to become a classic; noting that the text is often taken for granted as part of education, President Lyall stated that this exhibit offers a useful way to consider this essential tool.

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UW-Parkside: Ranger Softball

President Lyall offered her congratulations to the UW-Parkside Ranger softball team for setting a new NCAA mark for the most wins in a season (64-6-1), and reported that five members of the team were elected to the NCAA Division III All-American team.

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UW-Madison: Outstanding Research Park Award

President Lyall concluded her remarks by observing that the Association of University Related Research Parks is conferring its first Outstanding Research Park Award on UW-Madison for the success of its University Research Park. The award praises UW-Madison for "... bringing technology from the laboratory to economically viable business activities and thus make(ing) an important contribution to business volume, jobs and public revenue growth

in the community.” Following this report, Regent MacNeil added that Ohio State University had submitted the nomination for this award.

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REPORT OF THE EDUCATION COMMITTEE

Consent Agenda Items

Regent Krutsch, Chair, began her report by stating that Resolutions 7220 - 7225 had been approved by the Education Committee; she moved their adoption as consent agenda items. Her motion was seconded by Regent Randall, and passed unanimously.

1996-97 Tenure Designations and New Tenured Appointments

Resolution 7220: That, upon recommendation of the respective Chancellors and the President of the University of Wisconsin System, the 1996-97 tenure designations and new tenured appointments, reported in the attached materials by institutions, be approved.

New Program Authorization, B.S. Engineering Physics, UW-Platteville

Resolution 7221: 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 implement the B.S. in Engineering Physics beginning in Fall 1996.

Authorization to recruit: Associate Program Director, General Clinical Research Center, and Associate Professor or Professor, Medical School, UW-Madison, (at a salary that may exceed the Executive Salary Group 6 maximum

Resolution 7222: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for an Associate Program Director, General Clinical Research Center, and Associate Professor or Professor (department to be determined), Medical School, University of Wisconsin-Madison (at a salary that may exceed the Salary Group Six maximum).

Named Professorship: Sewell-Bascom Professor of Sociology

Resolution 7223: 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 James Sweet, Department of Sociology, College of Letters and Science, be changed to the Sewell-Bascom Professor of Sociology, effective July 1, 1996.

Named Professorship: Rothermel Professor of Agronomy, UW-River Falls

Resolution 7224: That, upon recommendation of the Chancellor of the University of Wisconsin-River Falls and the President of the University of Wisconsin System, Professor Steven Carlson, Department of Plant and Earth Science, College of Agriculture, be appointed the Rothermel Professor of Agronomy, effective the 1996-97 academic year.

Named Professorship: Wisconsin Distinguished Professor of Forestry, College of Natural Resources, University of Wisconsin-Stevens Point (reappointment)

Resolution 7225: That, upon recommendation of the Interim Chancellor of the University of Wisconsin-Stevens Point and the President of the University of Wisconsin System, Robert L. Govett be reappointed the Wisconsin Distinguished Professor of Forestry, College of Natural Resources, University of Wisconsin-Stevens Point, for the period June 24, 1996 through June 23, 2001.

Report of the Senior Vice President: UW-Milwaukee Presentation, "Teaching and Learning in the Virtual Classroom"

Regent Krutsch reported that Senior Vice President Ward introduced a UW-Milwaukee presentation on "Teaching and Learning in the Virtual Classroom." UW-Milwaukee Provost Kenneth L. Watters; Dr. Alan Aycock, Professor of Anthropology; Linda Corbin-Pardee, Anthropology graduate student; and Brooke Thomas, English graduate student participated. Dr. Aycock described a course taught entirely via computer, while Ms. Corbin-Pardee and Ms. Brooke, who had been students in the course, cited a number of strengths and weaknesses of this approach, reporting that while the method offers students flexibility and time to develop ideas thoughtfully, and reflects the varied interests of class members, preparation can require more time for students and instructors than in a real-time classroom, teamwork proved difficult to negotiate, and student-teacher problems can be amplified. Following this discussion, Regent Krutsch reported that Regents suggested that UW System Administration find ways to share the result of examples like this as courses using computers and other new instructional technologies are being developed.

Panel Discussion: "Urban Education: What Works"

Regent Randall introduced a panel of Milwaukee-area educators to discuss with the Committee programs in Urban Education that work. The participants were: Sister Mary Diez, Dean, School of Education, Alverno College; Nadia Fouad, Associate Dean for Education Outreach, School of Education, UW-Milwaukee; and Jamie Hatton, Principal, Milwaukee Trade and Technical High School. These panelists discussed examples of innovative schools within the Milwaukee public school system, about the education of prospective teachers and the relationships between both the UW-Milwaukee and Alverno College with Milwaukee public schools.

Report on Information Technology Planning: Directions and Priorities

Regent Krutsch concluded her report by stating that Senior Vice President Ward had presented the 1996 "Report on Information Technology Planning -- Directions and Priorities," covering the scope of the '96 IT plan and emphasizing the need for collaboration in carrying out the plan. He reminded the board that it will soon be necessary to make major investments in information technology. In response, Regent Smith had suggested that an estimated budget should be included with the submission of the IT plan to the Board of Regents in February 1998.

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REPORT OF THE BUSINESS AND FINANCE COMMITTEE**Consent Agenda Items**

Regent Hempel, Chair, began her report by stating that Resolutions 7226 - 7227 had been passed unanimously by the Business and Finance Committee; she then moved their adoption as consent agenda items. Regent Steil seconded her motion, and the resolutions carried unanimously.

Contractual Agreement with Sandoz Corporation

Resolution 7226:	That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison, the Board of Regents accepts the agreement with Sandoz Pharmaceuticals Corporation entitled "OLN-355 Double-Blind Study of Neoral Soft Gelatin Capsules (SGC) and Sandimmune Soft Gelatin Capsules (SGC) in Primary Cadaveric Renal Transplant Patients."
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Contractual Agreement with Certec, INC.

Resolution 7227: That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Parkside, the Board of Regents accepts the agreement with Certec, Inc. which will provide \$271,217 in support of the research.

UW-Madison: Proposed Apparel and Footwear Contract with Reebok International Ltd.

Regent Hempel observed that, while the Business and Finance committee had approved Resolution 7228, she was, with the Committee's consent, removing it from the consent agenda so that it could be discussed by the full board. She reported that UW-Madison Athletic Director Richter had presented an agreement between UW-Madison and Reebok for the purpose of consolidating and standardizing current coach and vendor agreements to secure apparel and equipment for its intercollegiate athletic teams and to obtain cash compensation and enhancing licensing opportunity. The agreement had been reviewed and approved by the Athletic Board Finance Committee and the UW-Madison Chancellor. Mr. Roger Bybee, Coordinator of the Wisconsin Fair Trade Campaign addressed the Business and Finance Committee regarding his organization's concerns about social justice and working conditions of the employees of suppliers servicing Reebok. Sharon Cohen, Reebok Vice President for Public Affairs also was at the meeting to describe Reebok's approach to the issues raised by Mr. Bybee. She stated that Reebok has attempted to "work from within" to change the working conditions described by Mr. Bybee. Ms Cohen reported that Reebok is the only Fortune 500 company with a department of human rights that conducts regular audits, self checks and independent audits of human rights issues with their suppliers, and has discontinued relationships with suppliers who do not meet its demands for improvement in worker conditions. The committee concluded that Reebok supplier practices are under continual audit by the company; furthermore, the committee is aware that there are no practical alternative suppliers that would not present the same issues. Regent Hempel suggested that, as a great university, the UW System can provide the benefit of a forum for the discussion of these issues, adding that there might be an "opportunity to work with a major corporation to improve worker conditions from arrangements within the global economic community. She then moved the adoption of Resolution 7228, which was seconded by Regent Dreyfus.

Resolution 7228: That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison, the Board of Regents accepts the Supply/License Agreement with Reebok International Ltd. which will consolidate current coach/vendor agreements, provide both equipment and apparel to the University of Wisconsin-Madison intercollegiate athletic teams and cash compensation, and enhance licensing opportunities.

Prior to calling for a vote on this Resolution, Regent Grebe noted that several requests had been received from people wishing to address the Board regarding this Resolution. At this time, he called upon those people who had registered with the Secretary and invited them to speak.

Roger Bybee, of the Wisconsin Fair Trade Campaign stated that, given rising tuition, this offer is tempting due to the large amount of money it involves. He expressed his belief that this is "the wrong answer" to rising costs, since it relies on exploiting workers who earn extremely low wages for long days spent in bad working conditions--instead of accepting this contract, he suggested that a fair and progressive tax system be instituted. He concluded by citing cases where a worker died in one of Reebok's subcontractors' factories, adding that, while Reebok has an auditing system, it may only address the most flagrant abuses while still relying on an inherently flawed system.

Sharon Cohen, a representative of Reebok who began the company's human rights program in 1992, began her statement by citing her connections with UW and Wisconsin. She explained that the company seeks to improve these working conditions "from the inside," but that it will require the voices and support of government, business, Non-Government Organizations (NGOs) and the community to effect change. The program she described is working on improving monitoring. Noting that wages in developing countries are low and that Reebok does not pay less than the minimum wage, she added that Reebok seeks partners who honor a 48-hour work week (and, in cases where that is not possible, the company tries to enforce overtime wages). Finally, she asserted that, while Mr. Bybee had cited a negative article regarding Reebok, the company is often cited as having "good or best practices" -- and in the area of human rights, is improving.

Bruce Colburn stated that he was speaking on behalf of the Milwaukee County Labor Council, representing about 75,000 workers and taxpayers who support the University of Wisconsin. Reporting that this issue was important to the Council, which had representatives participate in tours of sweatshops in Mexico and Honduras, he added that it was difficult to hear those labor conditions defended and invited any member of the Board to tour such factories with him. Citing long hours, low wages, bad conditions and child labor, he added that these have contributed to the movement of American jobs overseas. He concluded by suggesting that the high standards of the university be applied to this contract, and that, instead of entering this contract, efforts be made to educate the public and help change this system. Richard Burkholder, of the Service Employees Union Local 150 SEIU, described his experiences touring Juarez, Mexico, linking the low standard of living and low wages with the polluted water and disease in the community. He asked the Board not to accept the Reebok contract out of consideration for people such as these. Sam Murray, speaking as a citizen and representing no organization, stated that he believed the Board was considering a short term proposition that would contribute to a long-term problem, by contributing to the loss of America's industrial base and sending american jobs to competitors overseas. Jim Carpenter, speaking later, agreed, stating the Board's interest in stabilizing enrollment was related to "stabilizing the middle class," which had suffered from the globalization of the economy as jobs had gone overseas.

Ben Manski, a student at UW-Madison and member of the Alliance for a Corporate Free University, stated that many UW students are opposed to this contract, and expressed his belief that the Board was "putting financial priorities over the higher good." Noting that the UW is a public land grant institution serving the needs of the people of Wisconsin and

accountable to them, he expressed his opposition to "slave labor," questioned the validity of Reebok's auditing division, and stated that "corporate take overs of the university are not acceptable." Concluding that students would not accept skyrocketing tuition and greater dependency on corporations at the same time, he predicted that student opposition to this contract would continue.

Allie Epstein, a recent graduate of UW-Madison, cited statistics concerning women in the athletic shoe plants in Indonesia. Noting that while Sharon Cohen had stated that Reebok upholds the standards of a minimum wage in Indonesia, she stated that Indonesia's Ministry of Manpower found that minimum wage only pays 60% of an individual's basic needs and that 88% of women in athletic shoe factories are malnourished. Todd Allen Price, representing the Coalition For Socially Responsible Investment, stated that his group has been trying to bring attention to the University's investment practices. He noted that the group was very concerned about "corporatism in the university" and the compromises made in order to make up the short falls in government funding, because "it cheapens education." Noting that Professor Molnor, whose work was recently acknowledged by President Lyall, has been speaking about the encroachment of corporatism into the university, Mr. Price stated that he found this contract to be abhorrent.

Pat Richter, Director of the UW-Madison Athletic Department, noted that the Athletic Department is not supported by tax revenue but is, instead, program revenue driven, and has had financial problems in the past. He stated that its mission is to support the university and provide added value. In that regard, this contract is not unusual but is instead a consolidation of programs that have been in existence for years. He added that the Big Ten had anticipated the danger of such agreements, and therefore required a tri-partite agreement between vendor, coach and university: this contract is an institutional agreement that has been brought forward.

Drawing a parallel to the University's licensing agreements, he noted that the arrangement with Reebok will provide over \$600,000 of similar benefits to the whole university. The contract's benefits will also fund the Student Athletic Learning Center, serving all UW-Madison athletes. Stressing that this is not a change of direction, but that consolidation provides more control and allows the input of the Athletic Board, he concluded that the relationship with Reebok will be a beneficial one, allowing an opportunity for the university through its long tradition to scrutinize and to put pressure on the company.

Regent Randall stated that he had discussed this issue with staff from UW System and the Madison campus, members of the athletic department (particularly coaches), student athletes and future student athletes; he stated that he was familiar with the reasons for labor organizations' and human rights advocates' opposition to this agreement, and that he, too, had concerns which had not been satisfactorily addressed. He asked whether students will benefit from this arrangement, observing coaches, colleges, universities and sponsors fare far better than those who perform and endorse products in an athletic program. Citing several other concerns, Regent Randall went on to comment that the money from this contract does not compensate for the opportunity to demonstrate leadership in reversing these trends. He questioned the validity of a particular clause (the "no disparagement clause") and challenged Reebok to remove or revise it. Noting that Reebok's affirmative action programs could be improved -- particularly in light of its urban market and the number of minority student athletes that endorse its product -- to increase the number of minorities in its management ranks and on its Board of Directors, he stated that "our graduates will anticipate jobs with Reebok, and not necessarily on their assembly lines." Finally, he expressed concern that coaches who refused to sign the contract might be harassed or threatened with the loss of their

jobs. Overall, he stated that he could not vote for this Resolution with the contract in its current form.

Regent Brown, concurring with much of what Regent Randall had said, added that she was also concerned that student leadership, in addition to student athletes, had been excluded from the process of developing this contract and that those who did develop it were "unresponsive" to student requests to participate. Furthermore, students athletes who expressed their views by signing a petition were given verbal and written reprimands; therefore, based on her contact with student leaders and athletes from various teams, and acknowledging that students don't always consider "the financial benefit of this contract," Regent Brown stated that she could not vote in the affirmative. Regent Benson agreed, as did Regent DeBraska, who noted that an affirmative vote would, in effect, advocate for what he had fought against as a laborer and a labor representative.

Regent Dreyfus, noting that this manufacturing industry is almost entirely located overseas, observed that this issue would arise regardless of the vendor; he added that he was quite familiar with China and had been a representative to that country -- military, educational and trade -- over the past 50 years. While agreeing that working conditions are not what workers in this country would accept, he observed that China would not be open to Western advice, influence or intrusion, and "getting a nation with 20% of the world's population into the international family of nations" was the real question. Conceding that this was a question the Board could not answer, he suggested that, similar to the problem posed by South African apartheid, the concern must be to engage rather than ostracize. He noted that China's human rights issues go beyond those of labor conditions, but include restrictions on freedom of thought, freedom of speech, and liberty. He expressed his belief that it would be a "serious error" to refuse to have a relationship with China, and stated that he would support the Resolution.

Noting that he had found the speakers to be persuasive, Regent Lubar added that he had found this issues to be quite complex, with points to consider on both sides of the issue. He stated that he had been to industrial and manufacturing installations in Mexico and China, and did not see what he would consider "slave labor." Rather, he saw "people trying to make a living and moving up the scale," although "they are behind us." He expressed his belief that the contract is more beneficial than not, and that having some influence over Reebok is better than not having any: he therefore supported the Resolution.

Highlighting his concerns with raising fund for the University, Regent De Simone noted that his efforts had been focussed on non-tax dollars. He added that, through his affiliation with Rotary International, he had seen the benefit of working with countries to help them progress through free enterprise and investments. He expressed his belief that in this global economy, being the son of a union worker, he believed that he had a responsibility to help "improve mankind worldwide," and would therefore support this Resolution.

Regent Barry, pointing to the Appendices to the contract, noted that the company's human rights policy is unusual in the industry and should not be dismissed. He found it "forward looking" as a corporate policy, and expressed the hope that it would improve over time; however, he asked whether it was, indeed, part of the contract or merely attached as an appendix -- if it is merely an appendix, he asked if the Athletic Department had a mechanism for ongoing review of Human Rights issues. Pat Richter reported that the Athletic Board had monthly meetings and that the agreement would be discussed; Melany Newby, of the UW-Madison Administrative Legal Services, stated that she considers the Human Rights clause to

be a material part of the contract; furthermore, she noted that one of the earlier clauses is a mutual cooperation clause which allows both parties to discuss any concerns or disputes that might arise -- if they are unable to work those concerns out within 30 days, the contesting party could declare the other to be in breach. Regent James then asked whether there was a representative of the student athletes present, since she had not heard any UW-Madison athletes comment on this contract. (There were none present.)

Thanking the many speakers, Regent Hempel stated that she had learned about how people feel about this issue and their diverse points of view; she added that the discussion allowed the Board to enter this decision-making process with a broader mindset than when it was first presented with this issue. Adding that she is a "very strong believer" in the ability of large organizations to act as agents of change through their influence in developing countries, she commented that the removal of the jobs that exist (deplorable as the conditions may be) would exacerbate the problem rather than improve it. On that basis, she also supported the arrangement with Reebok; she requested continued monitoring by the athletic board for compliance with the human rights appendix included in the contract in order that everyone can be assured that progress and improvement is being made.

Concurring with Regent Hempel's expression of appreciation for the speakers, Regent Smith added that he believed that improving quality of life was the key issue. Noting that his own business is extensively based in a global economy, he has learned that there are opportunities to influence development. If Reebok is a company that has high ethical, moral and socially responsible standards, he believed they would have a positive influence.

Regent Barry, citing the good work of the committee and the Athletic Board, and affirming that the Human Rights clause is a material part of the contract, stated that he would support the Resolution. He noted his own experience with international business, and reported that he had found wages rising in the Mexican plants with which he had done business. With the understanding that there will be an ongoing review and that Reebok will be held accountable for its representations, he stated that he believed this was a balanced contract that benefited all parties.

At this time, there being no further comments, President Grebe called for a vote on Resolution 7228, which passed on a voice vote.

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Trust Funds: Endowment Update

Regent Hempel reported that the Business and Finance Committee had met at 10:00 a.m. the previous day, at which time Assistant Trust Officer Konshak reported that endowment gifts in 1994-95 exceeded \$15 million. Afterward, the committee adjourned to closed session to consider personnel and trust fund matters, reconvening in open session with a Full Board present at 1:05 p.m.

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1996-97 Operating Budget and Fee Schedules Including Changes to 1996-97 Budget Reduction Plan

Noting that the full Board had been invited to attend President Lyall's presentation on the Operating Budget, Regent Hempel limited her comments to a brief summary of her remarks.

President Lyall noted the following highlights of the Annual Budget:

- (1) Tuition rate increases will be lower than initially expected: 4% at UW-Madison (the second lowest tuition in the Big Ten); increases at UW-Milwaukee and comprehensives will be 5% (including the 1% instructional technology fee); and 6.5% at UW-Centers (including both the 1% technology fee and an additional 1.5% increase to begin bringing tuition at the Centers from 82% to 87% of the comprehensives' tuition rates in order to finance needed instructional improvements).
- (2) GPR and fee revenues have been reallocated across institutions to better align resources with enrollment demand and capacity.
- (3) The transfer of the UW Hospital and Clinic program revenue from the UW System base to the new Hospital Board and Authority, a reduction of \$271 million.

Regent Hempel reported that Resolution 7229 had been approved by the Business and Finance Committee, and moved its adoption by the full board. Her motion was seconded by Regent Dreyfus, and passed unanimously.

Resolution 7229: That, upon the recommendation of the President of the University of Wisconsin System, the 1996-97 operating budget be approved, including rates for academic tuition, and tuition refund policy and schedule, segregated fees, textbook rental, room and board, apartments, parking, and student fee funded reserves, as reflected in the document 1996-97 Operating Budget and Fee Schedules, June 1996. The 1996-97 amounts are:

GPR	\$ 844,365,697 (34.1%)
<u>Academic Tuition</u>	<u>399,961,184 (16.1%)</u>
Total GPR/Fees	1,244,326,881 (50.2%)
<u>Other</u>	<u>1,235,715,764 (49.8%)</u>
Total	\$2,480,042,645 (100.0%)

Agreements with For-Profit Organizations

Regent Hempel reported that Vice President Marnocha had reported that at the May 1996 meeting, the Committee had directed System Administration to recommend procedures for reporting add-ons to previously approved agreements with for-profit organizations.

Currently, the Board is notified whenever an agreement which exceeds \$200,000 is proposed with a for-profit organization. It was recommended and the committee agreed that when the amount of any agreement with a for-profit organization exceeds the amount previously reported to the Board of Regents by \$200,000 the additional award will be reported once again to the Board prior to execution.

UW System Best Business Practices Project

Vice President Marnocha also reported that in December 1995 he had appointed a UW System Best Business Practices Team, to be chaired by Ron Lostetter, Controller at UW-Stevens Point. Mr. Lostetter reported that the team had submitted their initial report, consisting of a mission statement seven goals/objectives, and a seven-point strategic plan, which he highlighted for the Committee. The work of the team will provide a common base to guide change within all business operations of the System.

UW-Milwaukee CQI Presentation: Streamlining Procurement while Achieving Efficiencies

UW-Milwaukee Institution Business Representative Mike Rupp and Purchasing Director Jim Skorlinski provided a CQI report on their efforts in streamlining procurement processes.

Update: UW Processing Center Merger

Assistant Vice President Durcan provided a status report on the efforts of the UW Data Processing Center merger, noting that the pilot project of merging non-student payroll of UW-Oshkosh into the UW Processing Center has been successfully completed ahead of the targeted date. Regent Hempel noted that an institution-specific timeline for merging the other eight institutions has now been established and will conclude by February 1998.

Deferred Item

Regent Hempel stated that a report regarding Information Technology Planning had been deferred until a later meeting.

Gifts, Grants and Contracts

Vice President Marnocha reported to the Committee that total gifts, grants and contracts for the 11-month period ended May 17, 1996, was \$503 Million, which is a decrease of nearly \$50 million from the previous year. Regent Hempel observed that this is a continuing a trend of reduced receipts, the majority of which is represented by Federal awards.

Audit Subcommittee

Regent Hempel concluded her report by stating that the Business and Finance Committee adjourned and the Audit Subcommittee convened at 3:05 p.m., at which time Internal Audit Director Brunkow provided the Subcommittee with the 1996-97 Internal Audit Schedule for UW System Institutions.

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REPORT OF THE PHYSICAL PLANNING AND DEVELOPMENT COMMITTEE

Approval of Consent Agenda Items

Regent Dreyfus, Chair, submitted the report. He noted that Resolutions 7230 - 7239 had been adopted by the Physical Planning and Development Committee, and moved their adoption by the full board. His motion was seconded by Regent Barry, and passed unanimously.

UW-Madison: Authority to Construct a Cogeneration/Electric Distribution Project in the Charter Street Heating Plant

Resolution 7230:	That, upon the recommendation of the UW-Madison Chancellor authority be granted to construct a 9.7-megawatt cogeneration and electric distribution project at the Charter Street Heating and Cooling Plant at a cost of \$6.5 million, to be funded with \$3.5 million of General Fund Supported Borrowing and a \$3.0 million loan from the Energy Efficiency Fund under s. 16.847, Wisconsin Statutes.
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UW-Madison: Authority to Construct a Surface Parking Lot Project

Resolution 7231:	That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a surface parking lot
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project at an estimated cost of \$228,000 using Parking Utility Program Revenue Cash.

UW-Milwaukee: Approval of the Design Report and Construction Authority for Bolton Hall Remodeling

Resolution 7232: That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority granted to construct a Bolton Hall Remodeling project at an estimated total project cost of \$3,282,000 of General Fund Supported Borrowing.

UW-Milwaukee: Authority to Construct Sandburg Hall West and North Towers Maintenance Projects

Resolution 7233: That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Sandburg Hall West Tower Hot Water Piping System Replacement and North Tower Elevator Controls Replacement project at an estimated total project cost of \$485,000 Program Revenue Supported Borrowing.

UW-Oshkosh: Approval of the Design Report and Authority to Construct a Nursing Education Building Lecture Hall Remodeling Project

Resolution 7234: That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority granted to construct a Nursing/Education Building Lecture Hall Remodeling project at a cost of \$900,000 using General Fund Supported Borrowing.

UW-Stevens Point: Authority to Purchase Four Acres of Improved Property

Resolution 7235: That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, authority be granted to purchase four acres of land improved with a radio tower and transmitter building at a cost of \$90,000 using Program Revenue (Student Government Association, Student Activity Resource fund).

UW-Stout: Authority for Officers of the Board to Execute Documents Conveying Land to the Department of Transportation

Resolution 7236: That, upon the recommendation of the UW-Stout 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 documents conveying two parcels of land totaling 0.26 acres to the Wisconsin Department of Transportation. The parcels are needed for right-of-way purposes to widen and improve State Highways 25 and 29 (Broadway Street) in Menomonie.

UW-Whitewater: Approval of the Design Report, Reflecting a Change in the Scope of Work and Authority to Construct the Hyer Hall Renovation Project

Resolution 7237: That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, the Design Report be approved, reflecting an increase in the scope of work to include relocation of the student radio station, and authority granted to construct the Hyer Hall Capital Renewal Project at a total estimated cost of \$6,480,000 using General Fund Supported Borrowing.

UW-Extension: The Wisconsin Center Renovation and Addition for Distance Education Project

Resolution 7238: That, upon the recommendation of the UW-Extension Chancellor and the President of the University of Wisconsin System, the Design Concept be approved and authority granted to construct the Wisconsin Center Renovation and Addition for Distance Education project at a total estimated cost of \$13,000,000 (\$12,300,000 WISTAR Funds and \$700,000 Program Revenues).

UW System: Authority to rescind Resolution 40 (12-17-71) and to Delegate to the Chancellors Authority to Deputize University Police Officers

Resolution 7239: That, upon the recommendation of the President of the University of Wisconsin System:

- (1) Resolution 40 (12/17/71) relating to authority for deputizing of university police officers be rescinded,
- (2) authority for deputizing university police officers be delegated to the Chancellors or the Chancellors' designees, and
- (3) names of newly deputized officers shall be reported to the Secretary of the Board of Regents.

Regent Dreyfus stated that the committee heard a presentation by Chancellor John Schroeder on the Long Range Campus Development plans for UW-Milwaukee and that was followed by a brief campus tour.

Concluding his report, Regent Dreyfus added that the committee had unanimously adopted a resolution of appreciation recognizing the numerous contributions Vice President Paul Brown, who has served as staff to this committee since 1985.

Now, therefore, be it resolved that the Board of Regents of the University of Wisconsin System hereby thanks the UW-Milwaukee for making this visit a highly successful and enjoyable experience.

Chancellor Schroeder thanked the Board. He also recognized the contributions of the staff (including Sue Kerns, Tim Wilmot, Jan Balistrre and Ingrid Schaaake) who "deal with the logistics of this annual meeting."

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Cancellation of the July Meeting

Regent Grebe noted that the next item involved the cancellation of the July meeting. Having identified no urgent matters to come before the Board in July, he called on Regent Smith, who moved the adoption of Resolution 7241. It was seconded by Regent MacNeil, and was adopted unanimously.

Resolution 7241: That the Board of Regents meetings scheduled for July 11 and 12 1996, be cancelled.

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ELECTION OF OFFICERS OF THE BOARD OF REGENTS

At this point, with the consent of the Board, Regent Grebe asked Regent Steil to serve as Chair for this portion of the meeting. Regent Steil noted that the election of the officers was now before the Board, and recognized Regent MacNeil, who moved and nominated Regent Michael Grebe to be President of the Board of Regents and Regent Sheldon Lubar to be Vice President of the Board of Regents for the upcoming year; Regent DeBraska seconded her motion.

Regent Steil, calling for additional nominations, recognized Regent Benson, who observed the difficulty he would find in making these comments. Affirming his belief that Regent Grebe has been an "excellent leader" who has "demonstrated his excellent abilities as the President of this Board and, in far more significant ways, demonstrated those abilities in roles in this State and in this nation," Regent Benson expressed his belief that this nomination was made through the wishes of Governor Thompson. Expressing his objection to any efforts to influence such an election, he stated that he would vote no to this motion. Regent Vice President Lubar responded by noting that, while it has not been the precedent for a Regent to have more than two terms as president, in this case an exception might be warranted due to the impending need to implement the findings of the Study of the UW System in the 21st Century; he added that he and Regent Grebe are committed to this work and to working together "as a team."

Regent Smith, stating that the Board makes its own decisions, concurred with Regent Lubar that there is a need for continuity, particularly as the UW System enters a new and fiscally difficult biennium. Regent DeSimone also expressed his support for Regents Grebe and Lubar, citing their work on the Study and the need to continue that project. Asserting that her "highest role" is that of a Steward of the UW System, Regent Krutsch agreed and added that she received no outside influence; other Regents made similar statements, in addition to expressing their strong support for Regents Grebe and Lubar.

There being no further comments, Regent Steil called for a vote on this motion, which passed. Following this vote, Regent Steil stated that, while he had found the Governor to be "very forthright and honest" and had never made demands concerning his votes on matters before the Board. He praised the good work that had been performed by the incumbent President and Vice President, and commended them for their willingness to work together and serve another year. Regent Benson again stressed that he supported and praised the excellent work of Regents Grebe and Lubar, adding that his comments were made as a reflection of the unusual circumstances of this election.

At this point, Regent Steil returned the gavel to Regent Grebe, who stated that several other officer positions were to be filled. He suggested that these could be nominated as a group, and Regent Dreyfus moved that the incumbents Judith Temby (Office of Secretary); Pat Takemoto (Assistant Secretary); Ray Marnocha (Trust Officer); and David Konshak and Charles Stathas (Assistant Trust Officers) continue in their current offices. The motion was seconded by Regent DeSimone, and passed unanimously.

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UNFINISHED OR ADDITIONAL BUSINESS

Commendation: Lee Sherman Dreyfus

Regent Grebe invited a representative from Governor Thompson's office, Julie Kane, to present a commendation. She read the State of Wisconsin Certificate of Commendation honoring Lee Sherman Dreyfus on behalf of the people of Wisconsin. The commendation, signed by the Governor, states that he salutes Regent Dreyfus "in recognition of his distinguished service and dedication to the State of Wisconsin and the University of Wisconsin System. Governor Dreyfus has brought knowledge, innovation and expertise to his profession, his strong commitment to increasing the quality of education throughout the University of Wisconsin System has not gone unrecognized, his spirit is as unique as his red vest and he will be deeply missed." The commendation was "presented with [the Governor's] best wishes for a future as successful as [his] distinguished term as a member of the Board of Regents;" Ms. Kane concluded by thanking Regent Dreyfus on behalf of the State of Wisconsin and the Governor.

After the applause following this presentation, Regent Grebe added that when he speaks with young people in his law firm about the importance in involvement in community and civic affairs, he tells them that through such involvement they would meet people they would not otherwise meet and who would enrich their lives, as his own association with Lee Dreyfus had done so. Adding that "in a time when we talk about the fitness of certain public officials for their office, particularly in terms of integrity and character, our state has been blessed with an incredible role model. I can't think of anyone in public life with a better or higher reputation."

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CLOSED SESSION

At 11:00 a.m., the Board recessed for 10 minutes, reconvening at 11:10 a.m., at which time Regent Lubar read Resolution 7242 and moved its adoption by the Board of Regents. The motion was seconded by Regent Steil and was adopted on a unanimous roll call vote, with Regents Barry, Brown, DeBraska, Dreyfus, Grebe, Hempel, James, Krutsch, Lubar, MacNeil, Randall, Smith and Steil (13) voting in the affirmative.

Resolution 7242: That the Board of Regents recess into closed session to consider annual evaluations, compensation and contract adjustments, and appointment of a UW-Stevens Point Chancellor, as permitted by *s.19.85(1)(c), Wis. Stats.*, to consider a request to review a tenure decision at UW-Oshkosh, as permitted by *s.19.85(1)(f), Wis. Stats.*, and to confer with legal counsel, as permitted by *s.19.85(1)(g), Wis. Stats.*

At 1:15 p.m., the Board arose from closed session and announced the adoption of Resolutions 7243 - 7246.

Request for review of a tenure decision at UW-Oshkosh

Resolution 7243: That, upon the recommendation of the Personnel Matters Review Committee, the request for Regent review of a tenure decision at UW-Oshkosh be denied.

Appointment of Chancellor, UW-Stevens Point

Resolution 7244: That, upon the recommendation of the Special Regent Committee and the President of the University of Wisconsin System, Thomas F. George be appointed Chancellor of the University of Wisconsin-Stevens Point, effective July 15, 1996, at an annual salary of \$110,000.

Action on Salary Adjustments

Resolution 7245: That 1996-97 salary adjustments as listed in Schedule A for university administrators in the State Executive Pay Plan and in Schedules B and C for faculty and academic staff whose salaries will be above the maximum of Group 6 of the Executive Pay Plan, be approved.

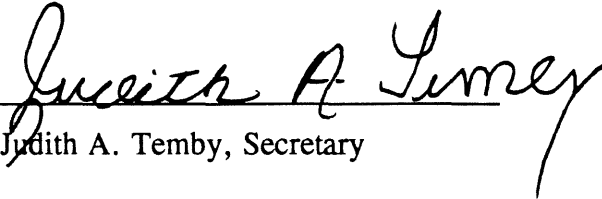
Proposed contract adjustment: UW-Madison

Resolution 7246: That, upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the

University of Wisconsin-Madison, the Board of Regents approves the inclusion of a \$25,000 annual guarantee of television, radio, and shoe and apparel income in the UW-Madison's employment agreement with head women's basketball coach Jane Albright Dieterle that extends her employment to May 21, 2000. This contractual guarantee is in addition to the proposed 1996-97 annual full-time salary rate of \$109,091 as set forth in Schedules B & C which list salaries above the Executive Salary Plan Group 6 Maximum.

The meeting ended at 1:15 p.m.

Submitted by



Handwritten signature of Judith A. Temby in cursive script.

Judith A. Temby, Secretary

31 July 1996

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BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

EXECUTIVE COMMITTEE

Minutes of the Meeting

May 15, 1996

4:00 p.m.

Held by telephone conference

Present: Regent Grebe, Regent Lubar, Regent Dreyfus, Regent Krutsch, and Regent Steil.

Regent Barry, Chair of the Regent Committee for the UW-Superior Chancellorship, also participated.

Absent: Regent Gelatt and Regent Orr

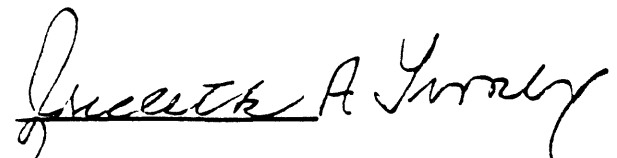
Upon motion by Regent Dreyfus, seconded by Regent Lubar, the minutes of the Executive Committee meeting held on January 3, 1996, were unanimously approved as distributed.

At 4:02 p.m., it was moved by Regent Krutsch and seconded by Regent Lubar that the Committee recess into closed session to consider the appointment of a Chancellor of UW-Superior, as permitted by s.19.85(1)(c), Wis. Stats. The motion was adopted on a unanimous roll-call vote, with Regent Grebe, Regent Lubar, Regent Dreyfus and Regent Krutsch voting in the affirmative. Regent Steil joined the conference after the vote was taken.

The meeting was adjourned at 4:10 p.m., and adoption of the following resolution was announced:

Resolution 7218: That, upon the recommendation of the Special Regent Committee and the President of the University of Wisconsin System, Julius E. Erlenbach be appointed Chancellor of the University of Wisconsin-Superior, at an annual salary of \$105,000, effective August 1, 1996.

(Note: Salary Adjustment to \$102,700 is reflected in Schedule A, UW Executive Salary Adjustments, 1996-97, adopted June 7, 1996.)


Judith A. Temby, Secretary