

MINUTES of the
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM
BOARD OF REGENTS STUDY OF THE
UW SYSTEM IN THE 21ST CENTURY

Madison, Wisconsin

Held in 1820 Van Hise Hall
Thursday, March 7, 1996
2:45 p.m.

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- President Grebe presiding -

PRESENT: Regents Barry, Benson, Brown, De Simone, Dreyfus, Gelatt, Grebe,
Hempel, James, Krutsch, Lubar, Orr, Randall, Smith and Steil

ABSENT: Regent Budzinski and MacNeil

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INTRODUCTION

Regent Grebe noted that the Chairs of the five working groups of the Study of the UW System in the 21st Century Study would submit their preliminary recommendations at this meeting. While final action on these recommendations will not be taken until the May 1996 meeting of the Board, the Board would vote on March 8, 1996 to forward the preliminary recommendations to the public for hearings to be held in March and April 1996. Public hearings are scheduled to begin in LaCrosse on March 20th and conclude in West Bend at the April 11 meeting of the Board of Regents. Several Regents will be attending each of those hearings. Remote locations will also be connected to the hearing sites to maximize public access and extend the opportunity for people to participate in the dialogue concerning the recommendations. An E-mail address (testimony@ccmail.uwsa.edu) has also been established to allow public commentary by people who cannot attend the meetings in person or at any of the remote sites.

Regent Grebe added that the study began as a strategic planning exercise based on the assumption of continued partnership with the State. As such, its findings should comprise a series of recommendations that share responsibility for change and suggest a true partnership; he noted that a draft of an

Introduction for the report had been distributed to the Regents. This document reiterates the need for a continued partnership between the State and the UW System. It highlights two key aspects of the study: First, what the Regents believe the study projects through its recommendations (i.e., its commitment to increase access, remain affordable, continue to be more productive, provide even better links to UW System resources and K-12 schools, and create stronger partnership with others) and second, what support from the State the Regents believe is necessary in order to accomplish those goals (i.e., keeping the UW System budget whole, funding the pay plan and distance education initiatives, and providing some additional management flexibility). Regent Grebe noted that, following the discussion of the recommendations, they would be consolidated and arranged around four major themes for the public hearings:

- * Preserving access
- * Keeping higher education affordable
- * Creating new knowledge and fostering lifelong learning
- * Improving the efficiency of our System

He added that these themes "best represent issues of concern to the public and all of our external constituencies." He then asked the Regents to carefully review these documents, and to suggest any changes that might be necessary before they are presented to the public.

Before introducing the reports of the working groups, Regent Grebe thanked his colleagues, the Chancellors, the staff, students and members of the public who participated in these discussions. He added that perspectives on some key issues had changed, having benefitted from the candid discussions that took place within the groups. Regent Grebe also acknowledged the hard work of the staff, particularly Kathi Sell (Chief of Staff for the Study), Dan Layzell (Deputy Chief of Staff) and Judith Temby (Secretary of the Board of Regents), for their efforts in producing policy papers, background materials, and coordinating meetings. These efforts, given recent cuts in the UW System Administration budget and staff, provide an example of the increased productivity of System Administration. Regent Grebe then introduced Regent Hempel, Chair of the Working Group on Access and Affordability.

Working Group #1: Access and Affordability
Recommendations Advanced For Public Commentary

Regent Hempel presented the following eight recommendations to the Board of Regents:

1. The working group believes that distance learning technology is essential for expanding the capacity of the UW System's instructional resources. New technology can extend the reach of UW programs and enhance the efficiency of existing instructional resources. The

Board of Regents should assure that its next biennial budget recommendations to the Governor and the Legislature set forth a specific funding approach to further develop the necessary technology. Funds will be required for networking infrastructure, investment in up-to-date equipment and software, development of new instructional technology, and training opportunities for faculty members.

UW System Administration should prepare a recommendation for the Board's consideration on the investment required, the appropriate funding mechanisms necessary to advance our efforts, and an implementation schedule that outlines how the technology will be used to expand capacity within a specified time frame, including necessary student/faculty interaction and consideration of the student's total needs.

2. The working group recommends that tuition recommendations sent to the Governor and Legislature reflect incentives and/or disincentives for reducing attempted credits to graduation. In addition, the working group recommends that flexibility be added to the UW System's tuition structure to create incentives for students to successfully complete the requirements for a four-year graduation contract. These changes can only be successful through adequate advising and course availability. We recommend establishing a pilot program for the four year contract with selected institutions by Fall 1997, with system-wide implementation the following year.
3. The working group recommends that, by October 1, 1996, chancellors of each institution provide the Board of Regents through UW System Administration with a report of efficiency-related measures undertaken to date and new recommendations of other efficiency measures that would increase capacity in the future. Furthermore, we recommend the UW Board of Regents seek legislative authority for greater internal budgetary flexibility in the use of institutional funds in order to achieve increased capacity.
4. The working group recommends affirmation of the following Board of Regents Tuition Policies:
 - * Tuition increases should be moderate and predictable.
 - * The resident undergraduate tuition rate increase should not exceed 10%.
 - * GPR financial aid and graduate assistant support increases should be kept commensurate with general tuition increases.
5. The working group recommends the Board of Regents assign responsibility and reward success for UW institutions that successfully increase grants obtained from private sources for financial aid purposes.
6. The working group recommends the Board of Regents create limits on

room and board cost increases.

7. The working group recommends the Board of Regents through UW System Administration work with 1) high schools to encourage attendance at UW Centers during the school year; and 2) UW System institutions to make students aware of the availability of summer school opportunities at all UW System institutions, especially those close to the location of their summer employment or home.
8. The working group recommends the Board Of Regents through UW System Administration work with high schools to consider expansion of available college credits earned while students are still in high school.

Regarding Recommendation 2, Regent Hempel added that one working group member representing students had expressed reservations about the fairness of disincentives, offering an example of students who might accrue "excess credits" because they attend part-time over several years or encounter changes in institutional requirements. Regent Hempel expressed her belief that these particular situations can be handled without forgoing the benefits of better management of credits to degree. She also noted that the third recommendation had produced the observation that the development of efficiency improvements would be a long process; she added that the intention of the group is to encourage the pursuit of continuous improvement.

Following these recommendations, Regent Gelatt asked whether the "level of access comparable to what we have today," is calculated as the fraction of graduating high school seniors, or if there is another measure of "appropriate access." Regent Hempel replied that, with the broad support of this State and additional efficiency improvements, the UW System can maintain an appropriate level of access based on resource availability and efficiency objectives; she noted that the current level of access is at around 31% of high school graduates, and suggested that this level could be used as a benchmark, noting that varying from it would only be warranted by necessity.

Regent Barry asked whether discussions on the nature of the incentives and disincentives to encourage rate of graduation are appropriate at this time; Regent Hempel reported that the group had devoted a fair amount of discussion to the issue of whether incentives or disincentives might be more effective. They concluded that if students are taking an average of 20 credits in excess of most degree requirements, a cut off point might be established which would allow students to take extra credits for a higher cost.

Working Group #2: Future Funding and Revenue Sources
Recommendations Advanced For Public Commentary

Regent Gelatt, Chair, presented the following thirteen recommendations for consideration by the Board.

1. The Board of Regents should discuss the possibility of using its existing authority to allow comprehensive institutions to charge differential tuition rates within the cluster. Differential tuition rate increases may be no lower than general rate increases established by the Board of Regents and may not exceed 9.9% for resident undergraduates.
2. The state should provide funding increases for WHEG that are commensurate with the increased student budget needs of students attending a UW System institution.

(Regent Gelatt observed that the group had used a different measure of need than the formula currently uses, an issue which requires further discussion.)

3. The Board of Regents should consider adding tuition sensitivity to the WHEG formula.
4. Institutions should be encouraged to raise external funds and that modifications of system policies be considered to encourage such fund raising.
5. Section 20.285(1)(h), Wis. Stats., should be revised to include:
"Each campus, the centers, and extension may, after appropriate consultation, and upon approval of the board, expend available moneys as needed for any program-revenue, student-related activity (except general program operations instruction) for which additional one-time funding is needed."

(He noted that this is the proposed statutory change which would give more flexibility in spending auxiliary revenues.)

6. Institutions should be allowed to charge the market rate for auxiliary operations.
7. The Board of Regents should allow negotiation of nonresident tuition rates for students from neighboring states at selected institutions subject to the Board's approval, with the condition that the tuition charged at least cover the marginal cost of instructing the additional students.
8. Institutions should be encouraged to recruit additional out-of-state students but not at the expense of access to resident students, and the Board of Regents should examine system policies that discourage recruitment of out-of-state students.

(Regent Gelatt observed that significant revenue is generated beyond the cost of educating out-of-state students at the UW-Madison campus; he noted that some chancellors believe that other campuses could also benefit from the university's reputation as a quality, low cost system.)

9. The Board of Regents must be prepared to advocate that the state continue to provide funding to cover increases in staff costs. Forcing students to pay the costs through increased tuition will damage Wisconsin's tradition of affordability. Choosing not to pay competitive salaries in a competitive market will damage the System's ability to deliver quality instruction, research, and public service.
10. The Board of Regents should consider amending its Competition with the Private Sector policy to permit system institutions greater freedom to earn revenue from mission-related activities.
11. The Board of Regents should affirm a policy that when faced with a choice between maintaining the Board's predetermined measures of educational effectiveness within budgetary constraints or providing access to its programs and resources, the University of Wisconsin System must choose to maintain educational effectiveness.
12. The UW System should continue Continuous Quality Improvement efforts to streamline operations, making them more efficient and effective with the possibility of reducing costs.
13. The Board of Regents should seek elimination of or modification to Section 36.25 (2), Wis. Stats. The working group prefers elimination. If modifications are made, the language should state: "Preference as to rooming, boarding and apartment facilities in the use of living units ~~operated~~ owned by any university shall, ~~for the following school year,~~ be given to students who are residents of this state and who are required to live on campus. ~~They must apply before~~ by March 15, unless a later date is set by the board. If the university requires students to reside on campus, students who are residents of this state shall be given preference as to rooming, boarding, and apartment facilities. Such preference shall be granted in accordance with categories of priority established by the board. ~~Leases or other agreements for occupancy of such living units shall not exceed a term of one calendar year.~~ The board may promulgate rules for the execution of this subsection."

(Regent Gelatt added that these revisions give weaker preference to Wisconsin residents and only on campuses where students are required to live in dormitories, giving flexibility to those campuses where there is no such requirement to use the availability of dormitory rooms as a means of attracting out-of-state students.)

Before the discussion following his presentation, Regent Gelatt added that the group had found no source of revenue that could fill the projected \$100 million gap other than through increases in State funds or increases in

tuition, and that no experimental data was found to produce cost reductions of that magnitude through the use of instructional technology. He noted the possibility that increases in instructional efficiency could make an impact on the gap, as working group #1 had indicated.

Regent Krutsch asked how "at the expense of access to the resident students" (Item 8) would be defined. Regent Gelatt replied that the issue is related to admission requirements, noting that on campuses where admission requirements have been reduced to meet objectives for admitting in-state students, an alternative would be to keep admission requirements comparable to other campuses and recruit out-of-state students.

Regent Orr asked (re: Item 7) why the group would not want to charge more than the marginal cost of instruction; he was told that this figure was used as a basis to ensure that, at minimum, money would not be lost on out-of-state students. The committee was informed that the marginal cost of instruction at comprehensive campuses is \$3,500--more than resident tuition and less than out-of-state tuition. The group's concern was that current out-of-state tuition (112-115% of full cost of instruction) is too high to attract out-of-state students; Regent Gelatt expressed their belief that, as long as money is not lost and quality is maintained, the Board should consider allowing UW Institutions to negotiate out-of-state tuition for students from neighboring states.

Regent Smith asked how the 10-year financial gap, estimated at \$150 million, had been calculated; he was told that it was developed by estimating tuition and staff costs at the inflation rate 3% or 3 1/2%, while state funding remained flat (with a small decrease of 2.5% each year in the first two years). Regent Gelatt added that members of the working group had observed that inflation rate for higher education has been significantly higher than the general inflation rate--thus the estimate may be low; further, the expectation that state funding will remain at only slightly lower levels may be optimistic, given increased competition for state funding. Regent Smith asked whether the working group believes that these recommendations adequately address the projected gap; he added his concern that they do not provide concrete methods of generating outside revenue. Regent Gelatt replied that no source of outside revenue on the scale of \$50 Million was found, other than state dollars or tuition. He added that, even if the Board were to amend the competition with private sector policy (Item 10), the generation of revenue would not approach the necessary funds. Regent Gelatt reiterated that Item 9 focusses on the Board's need to advocate for state support in order to maintain the quality of instruction, research and public service within the UW System; he stressed the need to outline the consequences if the State does not maintaining its history of support for the University System. Regent Grebe added that the advocacy by the Board of Regents should extend beyond the Legislature and administration to include the public, which might begin with the upcoming public hearings. Regent Barry also stressed the need to inform the public in order to overcome its misperceptions and clarify that the UW System is not asking for more money, but for more flexibility and more management possibilities. Regent Smith expressed his hope that a formal process be developed, independent of State support, for addressing the funding

gap on an ongoing basis. Regent Gelatt observed that, while the UW System could "sell its educational product" and possibly raise significant funds, doing so would be counter to the Wisconsin tradition.

Regent Orr asked whether charging market-based tuition in the professional schools and advanced certification programs might increase revenues. Regent Gelatt replied that the group had investigated this option and determined that between \$15-20 million could be raised; he added that undergraduate tuition could also be raised while maintaining a reasonably adequate level of financial aid, but that the group did not want to suggest this as a policy.

Regent Krutsch inquired about savings to be achieved through efficiencies, to which Regent Gelatt responded that the group failed to find evidence that the gap could be addressed merely through increased efficiency. He noted the scarcity of data about the cost-effectiveness of distance education, given the significant initial investments.

Regent Smith asked about the issue of charging differential tuition within a cluster, and was informed that this issue was raised by campuses as a means of raising additional revenue in areas where they may be more attractive than their peer campuses. Regent Gelatt added that the Board currently has the authority to allow campuses to charge differential tuition just as they charge differential fees. Chancellor Ward added that this discussion had raised a conceptual question of whether the UW System is totally integrated with a single budget or a more Federal arrangement with separate budgets. If the UW System were viewed as totally integrated, professional school tuition increases could be distributed across the system, but that would put UW-Madison at a competitive disadvantage. Regent Gelatt noted that the recommendations were made to give campuses more individual flexibility.

President Lyall, agreeing with Regent Barry's earlier observation that the public needs to be better informed about the UW System, cited the example of the belief that over half of the system's revenues come from the State--in reality, none of the comprehensive institutions get more than half of their budgets from the State. Observing that UW System institutions are matching every State dollar with other revenues, she noted that this is evidence of the shared partnership with the State, as well as a shared responsibility to retain the level of excellence of the UW System.

Responding to Regent Smith's questions about the size of the funding gap, Regent Lubar noted that it is the responsibility of the Board to help the UW System avoid the \$150 million gap as much as possible, and to help it cope with whatever gap does come to exist. Regent Smith added that he believes it will be important to not only increase the amount of revenues raised independent of state support, but to control that revenue to whatever extent is possible. GPR support, he added, should not be reduced in response to such increases. Regent Dreyfus asked whether funds could be raised by revising the Minnesota Compact (in which the State receives the funds in excess of the marginal cost of instruction for Minnesota students); Regent Gelatt observed that, since the reimbursement rate doesn't keep pace with the marginal cost of instruction, money is lost by both the State and the UW System. Regent

Krutsch noted that admitting fewer Minnesota students could increase access for Wisconsin students, although this solution would have differential effects across the system.

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Working Group #3: Mission and Roles
Recommendations Advanced For Public Commentary

Regent Lubar, Chair, presented the following recommendations for consideration and discussion by the Board:

1. That the Board of Regents advance for public commentary a proposal to seek authority to establish the compensation and other terms and conditions of employment for unclassified staff in the University of Wisconsin System.
2. That the Board of Regents advance for public commentary authority to eliminate external position control and give UW System the authority to create all positions without the approval of the Department of Administration or the legislature.

(Regent Lubar observed that the UW System is the only member of the Big Ten which operates under these restraints.)

3. That the Board of Regents advance for public commentary a proposal to seek authority to make the following alterations in position reporting:
 - * Exempt the UW System from filing the Headcount Report because the Department to Administration can prepare its quarterly report, as required in Section 16.50 (3), Wis. Stats., from other documents;
 - * Exempt the UW System from submitting the FTE Report and Filler Positions Report because UW System's computerized personnel systems will be maintained so as to respond efficiently and effectively to inquiries; and
 - * Modify the Position Change Report from a quarterly to an annual report.
4. That the Board of Regents advance for public commentary a proposal to direct the President of the UW System, in collaboration with the Chancellors, to explore strategies which would permit the UW System to move rapidly and effectively into the distance education market, and becoming a major provider. Specifically, the President should explore options such as:
 - * quasi-public entities;
 - * partnerships with private sector telecommunications entities; and

- * the use of Fund 104-131 and 132 (credit and noncredit outreach) or auxiliaries (Fund 128) for this purpose.
5. That the Board of Regents advance for public commentary a proposal to permit institutions that generate more tuition revenue than budgeted be allowed to expend 75 percent of those additional revenues, 25 percent of those revenues should be placed in a system-wide pool. The Board of Regents must also seek approval to add the following statutory language to Section 20.285 (1) (im): "Upon the approval of the Board of Regents, expenditure authority up to 5% above the amounts in the schedule shall be permitted to the extent tuition revenues are available."
 6. That the Board of Regents advance for public commentary a definition of its role in governing the University of Wisconsin System which includes the following:
 - * Establish goals, missions, and the policy and fiscal frameworks (within existing statutory limitations) within which institutions do their own operational planning and implementation;
 - * Appoint and evaluate the President of the UW System and the Chancellors of the UW System institutions and empower them to meet their responsibilities within the policies of the board;
 - * Evaluate institutional and system performance and hold each institution and System Administration accountable for accomplishing agreed-upon goals.
 - * Foster diversity of mission among the institutions, maximizing synergies and minimizing inappropriate duplication;
 - * Promote the "widest degree" of institutional autonomy within the limits of the law and Board policy;
 - * Bring a citizen perspective to the UW System; and
 - * Serve as advocates to external constituencies on behalf of the UW System.
 7. That the Board of Regents strengthen Board operations as follows:
 - * Require orientation sessions for new Regents;
 - * Conduct regular Board of Regents' self-evaluations (this fits with existing UW System Board policy);
 - * Using private funds, have Board of Regents visit one peer institution outside of Wisconsin each year (Colorado model) in search of best practice;

- * Ensure that there is one annual strategic planning meeting and one annual development meeting;
 - * Encourage all Board members to visit at least one UW System campus per year, in addition to the campuses they visit when they attend regular meetings of the Regents;
 - * Solicit testimony from outside the UW System;
 - * Foster relationships with the Executive and Legislative branches of government;
 - * Use technology to strengthen operation of the Board;
 - * Periodically review and revise Board policies and procedures; and
 - * Appoint a special Regent committee to examine the efficacy of Board of Regent operations in light of its responsibilities and to recommend improvements.
8. That the Board of Regents advance for public commentary a definition of the UW System Administration which includes the following:
- * Facilitate strategic planning;
 - * Administer the UW System within federal and state laws, and Board of Regent policies, encouraging within these constraints, the "widest degree" of institutional autonomy;
 - * Coordinate and seek synergies among the universities;
 - * Foster partnerships with other educational institutions, state agencies; and private entities;
 - * Foster a climate of decision-making that develops a single UW System position on important issues;
 - * Anticipate and plan for developing educational, economic and technological trends in higher education;
 - * Seek efficiencies and encourage the development of cost efficient common systems and common processes;
 - * Be accountable to the Board of Regents for effective provision of higher education in Wisconsin as assigned by Chapter 36 of the Wisconsin Statutes and Board of Regents policies; and
 - * Monitor and evaluate performance of individual institutions.
9. That the Board of Regents advance for public commentary a definition of the role of UW System institutions which includes the following:

- * direct providers of instruction, research and public service, consistent with each institution's mission;
 - * responsibility for operational planning and day-to-day operations;
 - * responsive to the demand for user-friendly and client-responsive provision of services;
 - * utilizes distance education and other instructional technology;
 - * innovative in operations and fund-raising ;
 - * collaborate with other institutions, state agencies, and private entities, to better serve internal and external constituencies; and
 - * accountable for meeting Board of Regent-designated outcomes and policies.
10. That the Board of Regents advance for public commentary the recommendation that each UW institution forge strategic partnerships with other UW institutions, PK-12 districts, Wisconsin Technical College Districts, and other public and private entities regionally, nationally and internationally that will produce cost savings, improved efficiency, and enhance the quality of services provided to internal and/or external constituencies
11. That since teaching academic staff are a growing part of those instructing students across the UW System, it is time to examine the role of teaching academic staff within the UW System with the intention of improving their status, roles, rights and responsibilities. To this end, and consistent with the language of Chapter 36, we request a review by the University of Wisconsin System Administration of the issues involved with teaching academic staff.
12. That the Board of Regents advance for public commentary a proposal to authorize the President to pursue alternatives to the current capital budgeting process. Those alternatives would include:
- * Seeking revenue bonding authority for projects funded by University Program Revenues. This program would apply only to the non-academic facilities that are funded primarily from university-generated user fees (dorms, student unions, etc.).
 - * Seeking revenue bonding for academic projects with at least 25-50% outside funding. This alternative would be a variation of the present WISTAR program, under which the state has obligated itself to pay half the debt service on a \$150 million program to build new research facilities.

The Board of Regents recognizes and accepts that it has a responsibility to protect, sustain, and enhance the resources for

which it has been given stewardship. However, the Board is frustrated in its ability to be accountable to the public for that stewardship of the \$4.2 billion in physical facilities that have been entrusted to its care. This frustration is generated primarily by the uncertainty and lack of authority that surrounds the current capital budgeting process. Academic long-range planning and the ability to respond to rapidly-changing technologies and needs are seriously constrained because the funding to meet those needs is controlled by entities which are outside the jurisdiction of the Board of Regents. The Board is not seeking release from all of those constraints. However, the Board feels that it is essential that it be provided a dependable level of funding within which to address the infrastructure needs of its many clients and various institutions.

A revenue bonding program for the University of Wisconsin System capital budget would provide this flexibility and improve its ability to be accountable. However it is uncertain how acceptable such a program would be. Nevertheless, the principle should be further debated in conjunction with the more limited revenue bonding program being advanced for public debate.

13. That the definition and measurement of results should be expanded from its current focus to include all instructional and instruction-related resources and recommends that the President of the UW System, in cooperation with the Chancellors of each UW institution, further define the concept of university effectiveness and prepare a plan to implement this concept throughout the UW System. This plan should specify the principles, goals, and assessments to be used in implementing the initiative.
14. The missions of University of Wisconsin System institutions will be continuously redesigned during the decade ahead to meet evolving student and state needs. Therefore, the Board of Regents should advance for public commentary the proposal that UW institutions be encouraged to create "3+4" programs to allow high school students who demonstrate appropriate competencies to enter the university after their junior year. UW Center-Richland shall be designated as an Integrated Learning Community with the flexibility to develop partnership programs that enhance student access to educational opportunities, including a "3 plus 2" program allowing high school students who demonstrate appropriate competencies to enter the university after their junior year. This will enable students to accelerate their high school education and to reduce the cost of their college education. In addition, a four year institution should be encouraged to pilot a "3+4" program. In general, the working group also encourages closer collaboration between the university and K-12 schools toward the aim of creating a seamless web of educational opportunity for high school students, including a "4+3" option.
15. That the Board of Regents request that System Administration, working with all UW System institutions, create materials, especially in any

interactive electronic format, which will encourage parents to begin saving for college early, help them project the cost of attending the UW, and inform them about student aid programs.

16. The missions of University of Wisconsin System institutions will be continuously redesigned during the decade ahead to meet evolving student and state needs. Therefore, the Working Group recommends that the Board of Regents advance for public commentary the proposal that at least one UW System institution, contingent upon appropriate consultation, present to the Board of Regents, by June 1997 a proposal to expand its institutional autonomy.
17. That each UW institution create internally an innovation/incentive fund of approximately .5% of its GPR/Fee base budget to support system-wide priorities such as distance education, instructional technology, and collaborative programs. Each institution shall report on such reallocations annually to the President of the System
18. The missions of University of Wisconsin System institutions will be continuously redesigned during the decade ahead to meet evolving student and state needs. Therefore, the Working Group recommends that the Board of Regents advance for public commentary the proposal that UW-Centers work closely in collaboration with UW four-year institutions and with UW-Extension, to deliver upper division and continuing education courses. This will extend the benefits of career and professional education to additional communities throughout the state.
19. That the Board of Regents advance for public commentary a proposal to permit one-time fund transfers between auxiliary operations and from auxiliaries to other program-revenue, student-supported activities (except instruction):
 - * expand System Administration policy on auxiliary expenditures to permit the transfer of one-time funds from one auxiliary activity to another auxiliary activity for which additional one-time funding is needed.
 - * amend the statutes [Section 20.285(1)(h)] to include:

"Each campus, the centers, and extension may, after appropriate consultation, and upon approval of the board, expend available moneys as needed for any program-revenue, student-related activity (except general program operations instruction) for which additional one-time funding is needed."
20. That the Board of Regents advance for public commentary a proposal to encourage UW System Administration to pursue the investigation of various initiatives for which the Board, DOA or Legislative approval is required to enhance management flexibility in the areas of purchasing, personnel and fiscal management. These initiatives

(listed under Categories 4 and 5) include such matters as increasing the purchasing threshold, creating incentives for energy conservation, modifying the capital budget approval process, removing limits on program revenue and FTE flexibility, changing auxiliary reserve reporting, modifying State personnel rules. The UW System Administration shall report the results of these considerations to the Board of Regents.

21. That the Board of Regents advance for public commentary a proposal to direct UW System Administration to advise on flexibilities that UW System itself can implement. These initiatives include modifying the System grant proposal process, relaxing the rigidity between program revenue funds and giving institutions the authority and responsibility for all credit generation except correspondence study.
22. That the Board of Regents advance for public commentary
 - * a proposal that would delegate to the Chancellor of each institution the authority to name rooms at their institution, and;
 - * a recommendation rescinding the Board's Resolution 40 of 17 December 1971, which authorized the System President and Vice President to deputize university police officers and instead delegate to each Chancellor the authority to deputize university police officers on their campus to enable them to exercise police functions authorized by statutes.

Regent Lubar summarized these recommendations, noting that the group's objectives were to seek flexibility in operations for each campus in the System; to improve effectiveness at both the administrative and faculty level; to encourage innovation to eliminate (wherever possible) unnecessary bureaucracy and reporting; and to encourage new ideas. Regent Gelatt observed that the group's recommendations regarding examining the role of Board were important; Regent Krutsch added that the group had suggested the formation of a special Regent committee to examine the efficacy of Regent operations and responsibilities.

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Working Group #4: Program Array Recommendations Advanced For Public Commentary

The Chair of the Working Group on Program Array, Regent Orr, began his report with a description of the process in which the group engaged to arrive at these findings. He noted that they began by asking two questions: whether unwarranted duplication in the programs arrays across the System exists and whether the program array adequately meets the needs of the State. In addressing the first question, the group found that institutions had developed areas of particular emphasis with little duplication. Where duplication was discovered, it was justified by the need to provide breadth offerings to allow students to meet degree requirements. In its analysis of changes in program

array, the group discovered that, since merger, there has been a small decline in the number of programs offered (from 1,137 in 1972 to 1,109 in 1994/95). Regent Orr noted that this is a dynamic process, however, since during that period 290 programs were dropped, and 263 new programs were added. In determining the response to the second question, the group found that the UW System data mirrors the national data (drawn from a study by UCLA, and from data provided by ACT). In general, student interests are subject to change and to do so quickly; he reported that the UW System was able to allocate resources according to those changes. Regent Orr added that there is a fiscal concern regarding changes in program array, citing the example of increased interests in business, computer science, and allied health courses when compared to the declining interest in humanities courses, which are less expensive to fund. Thus, responding to recent changes in program array has put a financial strain on the system. Finally, he reported that the working group compared the program array of the UW System to similar systems around the country, finding that it is average to below average in terms of the number of offerings. The group concluded that the program array across the System is about right, and it responds to the needs of the State.

The group then asked whether the environment within the System encouraged innovation and new program development by looking at comparable systems in other states, at the UW system, and at examples where incentive (or performance) funding had been used to influence program development. The conclusion reached by the group is that the experiments in incentive/performance funding did not work very well. The only program found which was successful was in the WTCS, where new state funds had been provided. -Regent Orr added that the prospect of additional state funds might offer a true incentive for the chancellors, who had objected to merely reallocating current funds.

He then presented the following five items for consideration:

1. Support the revised procedures for academic planning and program review contained in ACIS-1 and that it review these procedures in two years to evaluate their effectiveness in facilitating new program development and suggest two types of improvement: (a) revisions to the process itself; (b) new improvements to further enhance the process of new program development.
2. In order to improve overall program array planning systemwide, direct the Senior Vice President for Academic Affairs to meet annually with the vice chancellors on issues of systemwide program array, including such items as program addition and deletion, institutional and systemwide program needs, needed program changes and systemwide balance of program array. This consultation shall result in a report for review by the Chancellors that will be submitted to the Board of Regents as part of the annual December program report.
3. In order to be able to innovate and respond to student demand, seek a statutory change to permit expenditure of program revenues as

generated and creation of FTE positions as needed for credit (Fund 104-131) outreach instructional programs. This authority would be similar to that which the UW System has with noncredit (Fund 104-132) outreach instructional programs.

4. Seek changes in areas that create impediments to the efficient management of academic program array. Examples of areas where legislative changes would facilitate timely program array decisions include:

- * increase flexibility in expenditures of one-time savings by eliminating the ceiling on carryover for GPR funds;
- * relax the rigidity within Program Revenue funds and, where appropriate, between funds;
- * free the credit outreach budget from fiscal and other current restrictions.

5. Develop a modest Distance Education Incentive Fund (DEIF), to be created from new dollars, for the purposes of : (1) acknowledging and rewarding current distance education activities, (2) encouraging development of new distance education activities, and (3) fostering collaboration using distance education technologies. As distance education activities and collaborative efforts grow, there will be a need to increase the size of the Distance Education Incentive Fund.

Regent Orr concluded his report by thanking the members of the working group.

Noting the dramatic changes in program array and the challenge to respond quickly, given the UW System's structure and practices, Regent Gelatt asked if the group had looked at tenure or the ratio of teaching academic staff to tenured faculty as areas warranting change to be better prepared to respond to changes in program demand. Regent Orr responded that while the group did not address the tenure issue, it had looked at academic staff appointments; it found that one of the major constraints in responding rapidly to shifting program demand was long academic staff appointments--he added that this is being addressed within the system. Noting that tenure is a more difficult issue, he reported that he had found that faculty are both creative and aware of changing demands: departments shrink and faculty (even those with tenure) may transfer elsewhere. However, no recommendations were made by the group regarding tenured faculty or academic staff appointments, although Regent Orr noted that chancellors were strongly encouraged to carefully examine the length of academic staff appointments.

**Working Group #5: Instructional Technology and Distance Education
Recommendations Advanced For Public Commentary**

Regent Dreyfus, Chair, reported that the Working Group had chosen to focus on two key issues: how new technology could be used to improve instruction and how it can increase access for UW students Systemwide. Five broad issues informed the group's study of these questions:

- * preparation of the faculty for the use of instructional technologies;
- * the use of technology for distance education within the system;
- * the capacity to deal with organizations outside the UW System;
- * determining the appropriate role of the UW-Extension; and
- * finally, determining the ways distance education can be used to supplement campus offerings at the UW Centers.

Regent Dreyfus reported that the initial discussion focussed on faculty issues, and that the group wanted to ensure that faculty would and could utilize this technology to its fullest potential; they will need a range of support such as training, instructional design and technical support. The group also wanted to emphasize responsiveness to student needs rather than merely notions about improvements--the goal is to develop and enhance a student-centered learning environment, removing the barriers of time and place for students. He noted that the first recommendation takes this issue as a matter of primary importance. The second recommendation establishes four policy areas, while the remaining recommendations focus on actions to be taken.

He then submitted the following recommendations for consideration by the Board:

1. The working group recommends that the Board of Regents advance for public commentary that the University of Wisconsin System will establish a goal to use instructional and distance education technologies to develop an enhanced student-centered learning environment and remove time and place as barriers to learning, both on and off campus.
2. The working group recommends that the Board of Regents advance for public commentary that the University of Wisconsin System concentrate its efforts to expand the use of instructional and distance education technologies on the following four basic policies:
 - * Respond to Student Needs. The University of Wisconsin System will have a coordinated Systemwide plan that effectively utilizes appropriate technologies to provide high quality learning opportunities and services to students to meet their lifelong learning needs.
 - * Facilitate, Review, and Recognize Faculty Contributions. The University of Wisconsin System will facilitate faculty use of

instructional and distance education technologies in their teaching and will review and recognize their contributions to an enhanced student-centered learning environment.

* Foster Internal and External Collaboration. The University of Wisconsin System will use instructional and distance education technologies to increase the cooperation and collaboration among University of Wisconsin System institutions and with appropriate other institutions such as other universities, K-12 schools, technical colleges, public libraries, businesses, and communities in developing appropriate programs and distance education delivery systems.

* Develop Instructional Technology Resources. The University of Wisconsin System will provide training, support, and, at minimum, access to University-based hardware and software necessary for students, faculty and staff to effectively use technologies in their teaching and learning.

3 The working group recommends that the Board of Regents advance for public commentary that the University of Wisconsin System undertake the following actions to expand the use of instructional and distance education technologies to support the development of an enhanced student-centered learning environment and remove time and place as barriers to learning, both on and off campus:

* The University of Wisconsin System will assess the needs of on- and off-campus students and establish a plan to address student needs, in priority order.

* The Senior Vice President for Academic Affairs, University of Wisconsin System Administration will be given the authority and responsibility to implement the Systemwide Strategic Plan for Instructional Technology and Distance Education.

* The University of Wisconsin System institutions will be directed to:

a. Provide that faculty effort expended in developing instructional technologies for the classroom and for distance education should be recognized in promotion, merit, and tenure decisions (e.g. equivalent to publications, teaching innovation, etc.)

b. Recognize that time spent and documented in development of instructional and distance education technologies applications and in training to use these technologies should be treated as any other part of faculty and staff workload

c. Develop a process to insure that faculty effectiveness in improving teaching and learning through the use of instructional and distance education technologies is incorporated into

performance review and promotion and tenure evaluations.

- * The University of Wisconsin System will encourage the marketing of its intellectual property.
 - a. The delivery of programs beyond the borders of the state will be encouraged when the out-of-state delivery makes access to the program more affordable for Wisconsin citizens and when this delivery may leverage funds.
 - b. Adjustment of non-resident tuition will be allowed and facilitated when documentation of projected out-of-state enrollments shows that out-of-state delivery makes the program more viable and affordable to Wisconsin citizens.
 - c. A non-stock, non-profit organization will be created to support technology-based instructional and distance education innovation.
- * The University of Wisconsin System will establish incentives specifically designed to encourage the start-up of collaborative certificate or degree program initiatives that use instructional and distance education technologies.
- * Policies dealing with a myriad of issues such as transfer of credit, out-of-state delivery, workload, assignment of student credit hours, assessment of segregated fees, common course numbering, common calendar, core and degree requirements, uniform provision of student information (e.g., catalogues), etc. will be reviewed, clarified, or changed to remove barriers and encourage the use of technologies.
- * The University of Wisconsin System will establish and manage a fund to implement the four basic policies. An annual fund of \$25 million will be generated from one or all of the following sources:
 - a. Request new state funding
 - b. Base reallocation at the institutions
 - c. Extramural funds (e.g. gifts, partnerships, grants, entrepreneurial activities, etc.)

The fund will be allocated as follows:

- a. Distance education student services \$ 6.25 million (25%)
 - b. Faculty development, support, and incentives \$10.00 million (40%)
 - c. Support start-up of collaborative certificate or degree program initiatives \$ 6.25 million (25%)
 - d. Improve access to hardware and software \$ 2.50 million (10%)
4. The working group recommends that the Board of Regents advance for public commentary that, to evaluate the progress made to enhance a student-centered learning environment and remove time and place as barriers to learning on and off campus:

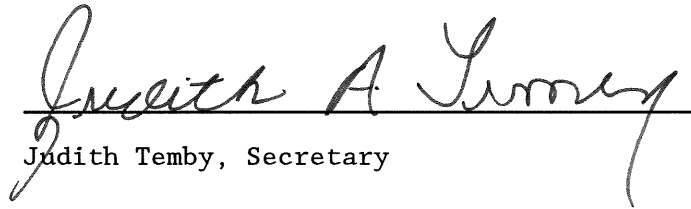
- * The University of Wisconsin System will define learning needs by clientele group.
 - * The University of Wisconsin System will regularly assess student satisfaction and other measures of academic quality related to the use of instructional and distance education technologies.
 - * The University of Wisconsin System will assess formal working agreements and pilot projects to explore collaborative strategies.
 - * The University of Wisconsin System will regularly assess and report on student, faculty, and staff access to hardware and software necessary to use instructional and distance education technologies.
 - * The University of Wisconsin System will regularly provide to the Board of Regents information on how instructional and distance education technology utilization has been incorporated into performance reviews, promotion, merit, and tenure reviews and decisions.
5. The working group recommends that the Board of Regents advance for public commentary that, in its endeavor to expand the use of instructional and distance education technologies, the University of Wisconsin System be guided by the following principles:
- * All instructional and distance education technology is student-centered; i.e., it is programmatically driven, it is intended to enhance learning and increase access, it accommodates different learning styles and circumstances, and it enables innovative interaction between faculty and students.
 - * Faculty are key to successful utilization of instructional and distance education technologies.
 - * Increased attention must be given to using instructional and distance education technologies to meet the lifelong learning needs of Wisconsin citizens.
 - * Interinstitutional collaboration is a means to effectively utilize instructional and distance education technologies to enhance learning and increase access.
 - * The need for standards, compatibility, and collaboration is balanced with recognition of the diverse missions, priorities, and local traditions of the University of Wisconsin System institutions.
 - * All campuses must have appropriate infrastructure hardware and software to participate in comprehensive and coordinated use of instructional and distance education technologies.

Minutes of the Board of Regents
Planning for the 21st Century

March 1996
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The meeting concluded at 4:25 p.m.

Submitted by:



Judith Temby, Secretary

3/19/96 emk

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