

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

Madison, Wisconsin

Held in room 1820 Van Hise Hall
Friday April 11, 1997

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MINUTES OF THE REGULAR MEETING
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Madison, Wisconsin

Held in room 1820 Van Hise Hall
Friday, April 11 1997
8:30 a.m.

- Vice President Lubar presiding -

PRESENT: Regents Barry, Benson, Boyle, Brandes, Brown, DeBraska, DeSimone, James, Krutsch, Lubar, Orr, Randall, Smith, and Steil

ABSENT: Regents Grebe, Hempel and MacNeil

APPROVAL OF MINUTES

Upon motion by Regent DeSimone, seconded by Regent Steil, minutes of the meetings of the Board of Regents held on March 6 and 7, 1997, were unanimously approved as distributed.

REPORT OF THE PRESIDENT OF THE BOARD

Vice President Lubar submitted the report of the President in his stead, noting that Regent President Grebe had been unable to attend the April 1997 meetings.

Report of the March 26, 1997 meeting of the Wisconsin Technical College System Board

Regent Lubar noted that a report of the March 26, 1997 meeting of the Wisconsin Technical College System Board had been submitted by Regent Barry; there were no questions or comments regarding that report.

Report of April 10, 1997 meeting of the Hospital Authority Board

Regent Orr was called on to provide an oral report of the April 10, 1997 meeting of the Hospital Authority Board. He noted that the hospital operations continue to move along "reasonably well," adding that current admissions patterns are similar to those nationwide. Admissions have increased by 5.4%; average length of stay continues to decline so that total patient days are down about 2%; outpatient visits are up over 4%; finally, he noted that last year's earnings at this time were about \$5.2 million, while this year they are \$7.5 million. Regent Orr cautioned the Board to be aware that the hospital will need to meet certain financial characteristics to achieve an A quality rating, one of which is to maintain an operating margin of about 7.6% -- the surplus cited above indicate an operating margin of 3.5%. The trend toward "capitation" in the healthcare markets increases the pressure on the "costs" side, suggesting that the operating margin will continue to demand attention in the future. Second, he noted that while the current cash reserve seems large, the average cash reserve for an A credit rating is usually about equal to 200 days' operating costs due to the evolving nature of health care since the lender wants to be assured of adequate liquidity. The current UW Hospital cash reserve is at about 150 days; Regent Orr noted that, given the current financial environment, it's going to be increasingly difficult to increase that reserve.

Regent Orr reported that the Authority had approved the issue of \$150 million of bonds, adding that, in a previous meeting, the finance committee had taken three steps prior to this approval: it approved the preliminary official statement which will be used to market the bonds; it agreed to enter into an agreement with Bank of America to supply the letter of credit (at an 8 basis point rate); and, following a competitive selection process, selected MBIA to insure the bonds. He reminded the Board that the intention is to issue variable rate floating bonds which will go to auction every 7 days, backed up by letter of credit and insurance so they will have a AAA rating; he added that the total debt of the hospital will now be a combination of fixed and variable rates, which offers the Authority advantage of flexibility. Finally, Regent Orr noted that the Authority Board anticipates that the bonds will go to market April 15, 1997.

In discussion following this report, Regent Lubar asked if there were any further permissions to be solicited regarding this issue and was informed that all the necessary permissions have been granted. Regent Orr also confirmed his observation that another advantage of bonding is that it decreases the 6-7 year cycle that used to be necessary for building, conversion and improvement projects. Regent DeSimone, who had asked whether space for inpatient beds were being converted to other uses, was informed that

projects such as upgrading inpatient units or converting inpatient space to serve outpatients were underway, and that the flexibility gained by bonding allows such projects to move forward more quickly.

Regent Krutsch asked how many family or primary care physicians are referring to the University Hospital, asking how successful has the hospital been in associating with primary care physicians or developing primary care practices. Regent Orr replied that there had been constraints on acquiring practices prior to the formation of the Hospital Authority, but that it has done "a reasonable job" in acquiring practices since then. He added that the mission of the Medical School is changing to reflect the changing nature of medical care, noting that while there had been an emphasis on developing specialty care, there is now a need to train primary care physicians: in addition to attracting patients, the new East and West Side Clinics will also serve a teaching function to help train primary care physicians.

Report on Legislative Matters

Regent Lubar stated that Vice President Olien had submitted a written report on legislative matters. There were no questions or comments regarding that report.

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REPORT OF THE PRESIDENT OF THE SYSTEM

President Lyall began her report by observing that the involvement of undergraduates in faculty research is an excellent way to provide them with first-hand experience generating new knowledge, allowing them to move beyond passive learning processes and on to basic epistemological questions as they learn different ways of knowing in the sciences and humanities. She then introduced Charles Schelin (UW-LaCrosse, Dean of the College of Science and Allied Health), who, with four of his colleagues, discussed their program's opportunities for undergraduate research. Dr. Schelin noted that at UW-LaCrosse more than 1,400 undergraduates are majoring in the physical and natural sciences; many of these students are involved in research projects. He then introduced a video presentation that highlighted a number of these projects, while also introducing the professors engaged in directing those projects. Dr. Aaron Monte (UW-LaCrosse, Department of Chemistry) summarized a number of the benefits of undergraduate research in the sciences. Students are treated as professional researchers and given responsibilities equivalent to those they would have in a professional research setting. This experience extends student learning by requiring them to use specialized equipment, library, computer, and other research skills; provides a unique "real-world" perspective lecture material; allows students to discover career pathways; and strengthens their aptitude in a number of ways, enhancing problem-solving skills, teaching the

importance of ethics in scientific conduct, and strengthening writing and communication skills. Students have the opportunity to get to know their faculty well, exposing them to mentors who can later provide enlightened letters of recommendation. Undergraduate research experience also holds rewards for students. It is recognized and appreciated by graduate and professional school admissions committees and by recruiters for industrial firms. Since student research helps keep faculty current with developments in their fields, it enhances the entire classroom, extending the benefit to students who are not involved in research projects.

Dr. Margaret Maher added to these observations by reporting that undergraduate research also benefits faculty by enabling them to continue their own research. Often, faculty at the four year comprehensive universities have many teaching responsibilities and less time to spend in the laboratory; however, despite the fact that training students in research techniques takes time on the front end, it enables professors such as her to continue an active research program since these students can assume some of the roles that doctoral students fulfill at the research institutions. Moreover, many of these students go on to graduate school and continue to collaborate with their undergraduate research mentors years after the undergraduate experience. Research is an effective teaching tool, not only because it raises the level of undergraduate inquiry, but because it offers students an important foundation in methodology and ethics which will serve them later when they enter the work force. It can also be a funding resource, since several agencies have specific pools of money for research with undergraduates. She concurred with Dr. Monte's assessment that it also enhances the relationship between undergraduates and faculty, observing that she has been able to successfully recommend research students for important jobs and graduate positions. Finally, she observed that undergraduate research gives faculty a unique opportunity for collaboration with other faculty sharing intellectual and technological expertise, which further enhances faculty teaching and scholarship.

Expanding on the subject of technology, which Dr. Maher had noted was another important area for collaborative research work between faculty and undergraduate researchers, Dr. Gubbi Sudhakaran observed that technology has played a vital role in the transition from the Industrial Age to the Information age, as technology has made vast amount of information available at the click of the mouse. Dr. Sudhakaran stated that higher education is experiencing technological growth which will have far-reaching effects on teaching and learning. At UW-LaCrosse, programs help students seek employment in high tech industries and prepare for graduate school; however, advanced technology cannot be provided to students in a conventional laboratory course. Instead, undergraduate research exposes students to state-of-the-art equipment via a mode of instruction that is very different from traditional classroom or laboratory courses. Dr. Marc Rott concluded this presentation by observing that opportunities to perform undergraduate research in the sciences help UW-LaCrosse recruit good students and promote diversity. Many UW-LaCrosse faculty are engaged in research involving area high school students and teachers in projects that complement the university's outreach work with area high schools and enhance its recruiting efforts. He cited his own example of a collaborative research relationship between his laboratory and the US Fish and

Wildlife Service, which allowed a high school student to work on a summer research project in his lab; not only did she contribute to the research on the American Paddlefish, but she won a \$4,000 scholarship and has chosen to attend UW-LaCrosse next year. Research also complements the promotion of diversity, allowing undergraduate researchers to learn that research is spoken in a truly "universal" tongue, as researchers from around the world collaborate with researchers at UW-LaCrosse. In addition, UW-LaCrosse has received funding from the National Institute of Health to develop a "bridge" between UW-La Crosse, the Gundersen Medical Foundation, and the Lac Courte Oreilles Ojibwa Community College near Hayward, WI; the program's goal is to increase the number of Native Americans involved in biomedical research.

Dr. Schelin concluded the presentation by observing that at UW-La Crosse, actions have been initiated to institutionalize undergraduate research activities, including the requirement that each science department clearly define what is expected of students who undertake a research project (which includes the presentation of results at a professional meeting) and the establishment of a fund to support student research, for which students prepare competitive proposals.

In discussion of this presentation, Regent Lubar inquired about the "digital cadaver" project, for which a human cadaver was shaved into thin slices and photographed. This information, as well as corresponding data, were entered into a computer program, resulting in a "digitized" cadaver which, as President Lyall noted, allows students to perform repeated "dissections," thus enhancing students' access to specialized information.

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Good News

UW-Whitewater Students' Good Works

President Lyall reported that, while many college students spend Spring vacation at the beach, a group of thirty students from Habitat UW-Whitewater spent their spring break in Clarksdale, Mississippi building homes for low income families. This group has built more than thirty homes in its past seven trips.

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UW-Platteville Study Abroad Program

President Lyall reported that *The Students' Guide to the Best Study Abroad Programs* features the UW-Platteville program in Seville, Spain as one of the "Top 25" programs in the country. The Platteville program is open to students throughout the UW System and the country. She reminded the Board that the UW-Platteville study abroad programs had received special commendation in their recent NCA accreditation report.

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UW-Stout Gift

President Lyall offered her congratulations to Chancellor Sorensen and UW-Stout for receiving a gift of \$1.4 million to the endowment fund for scholarships from the estate of Jack and Marjory Steiner Milnes, both of whom are UW-Stout alumni.

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WebFair '97

WebFair '97, sponsored by the UW System Office of Learning and Information Technology, the Department of Public Instruction, WEAC, and the Urban Superintendents Association, will showcase the work of Wisconsin students, K-through-college. Ninety-one submissions were judged by a jury of teachers, business executives, and other students; "Distinguished Ribbons" were awarded to thirty-one entries covering a wide range of topics. President Lyall observed that these "webmasters" come from large and small schools all across the state, and wondered what students throughout Wisconsin would be able to do when all schools are connected to BadgerNet.

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UW-Milwaukee: Wisconsin Space Grant Consortium and NASA Lunar Prospector Mission

The Wisconsin Space Grant Consortium, headquartered at UW-Milwaukee's School of Architecture, has been selected by NASA to develop the educational outreach components of the forthcoming NASA Lunar Prospector Mission. These programs will enable high school students to participate in that mission on-line.

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UW-Milwaukee: School of Business Administration Dean Appointed

President Lyall announced that UW-Milwaukee has appointed Dr. Charles Kronke as the new Dean of the School of Business Administration, succeeding Dr. Eric Schenker who retires at the end of this academic year.

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Outgoing United Council President

President Lyall noted that this would be the last Board meeting at which Tim Casper would represent the student perspective as President of United Council. She expressed her appreciation for his leadership and wished him well in his pursuit of graduate studies.

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Anniversary Congratulations

Concluding her remarks, President Lyall offered special congratulations and good wishes to Regent Emeritus Lee Dreyfus and his wife, Joyce, who recently celebrated their 50th anniversary.

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REPORT OF THE EXECUTIVE COMMITTEE

Regent Lubar noted that the Executive Committee had met on March 18, 1997, and that minutes of that meeting had been distributed. [Attached as Exhibit A.]

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REPORT OF THE EDUCATION COMMITTEE

Consent Agenda Items

Regent Krutsch, Chair, provided the report. She began by noting that Resolutions 7414 - 7421 had been approved by the Education Committee, and moved their adoption by the full board as a Consent Agenda. Regent Randall seconded her motion, which was unanimously approved.

1997 Minority and Disadvantaged Student Annual Report

Resolution 7414: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents accepts the 1997 Minority and Disadvantaged Student Annual Report for submission to the Governor and to the chief clerk of each house of the Legislature, pursuant to s. 36.25(14m)(c), *Wis. Stats.*, for distribution to the appropriate standing committees under s. 13.172(3) *Wis. Stats.*

Requests to Trustees of the William F. Vilas Trust Estate

Resolution 7415: That, upon recommendation of the Chancellors of the University of Wisconsin-Madison and the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approve the request to the Trustees of the William F.

Vilas Trust Estate for \$2,525,454 for fiscal year July 1, 1997 to June 30, 1998, subject to availability, as provided by the terms of the William F. Vilas Trust, for Support of Scholarships, Fellowships, Professorships, and Special Programs in Arts and Humanities, Social Sciences, Biological Sciences, Physical Sciences and Music.

Implementing s.36.11(22). Wis. Stats., relating to Sexual Assault and Sexual Harassment

- Resolution 7416: That, upon recommendation of the President of the University of Wisconsin System and pursuant to 1989 Wisconsin Act 177, s.36.11(22), Wis. Stats., the board hereby accepts the report on implementation of the Act (the report on orientation programs and information provided to students on sexual assault and sexual harassment) and directs that the report be submitted to the chief clerk of each house of the Legislature for distribution to the appropriate standing committees under s.13.172(3).

Authorization to recruit: Dean, College of Engineering, Mathematics, and Science University of Wisconsin-Platteville

- Resolution 7417: That, upon recommendation of the Chancellor of the University of Wisconsin-Platteville and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Dean, College of Engineering, Mathematics, and Science, at a salary that may exceed the Executive Salary Group Six maximum.

Authorization to recruit: Provost and Vice Chancellor for Academic Affairs University of Wisconsin-Whitewater

- Resolution 7418: That, upon recommendation of the Chancellor of the University of Wisconsin-Whitewater and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Provost and Vice Chancellor for Academic Affairs.

New program authorization: M.S., Management Computer Systems University of Wisconsin-Whitewater

Resolution 7419: That, upon recommendation of the Chancellor of the University of Wisconsin-Whitewater and the President of the University of Wisconsin System, the Chancellor be authorized to implement the M.S., Management Computer Systems.

Learning Outcomes for the Baccalaureate Degree: Revised reporting cycle for General Education programs

Resolution 7420: Whereas it is important that UW institutions identify the basic skills and knowledge expected from an undergraduate degree and communicate those expectations to students, parents and the people of Wisconsin, it is resolved that, upon the recommendation of the President of the University of Wisconsin System, Section IV of *Academic Planning and Program Review* (ACIS-1.revised), be revised to require that institutional reports to the Board of Regents on their general education programs: (1) be placed on a ten year cycle; (2) be scheduled to coincide with each institution's North Central Accreditation review; and (3) clearly state the basic skills and knowledge expected of students completing an undergraduate degree, and explain how general education and other course requirements fulfill those expectations.

As part of this accreditation review, the institution will examine its expected baccalaureate degree outcomes and communicate those expectations in a formal report to the Senior Vice President for Academic Affairs and as part of its oral presentation to the Board of Regents.

Appointment of Named Professors: University of Wisconsin-Madison Medical School

Resolution 7421: 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 make the following named professorship appointments in the Department of Ophthalmology and Visual Sciences, Medical School:

Daniel M. Albert Frederick A. Davis, M.D., Professor in
Ophthalmology (retroactive to July 1, 1992);

Burton J. Kushner	John W. Doolittle, M.D. Professor in Pediatric Ophthalmology (effective immediately).
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Joint meeting with the 21st Century Implementation Committee

Regent Krutsch reported that the Education Committee had met in joint session with the 21st Century Implementation Committee, where the committees heard presentations on both administrative and academic collaboration in the UW System. Associate Vice Presidents Sharon James and Kathleen Sell provided several examples of such collaboration. Associate Vice President Sell reported that, while it is too soon to document specific dollar savings, such actions as consortia purchasing serve to reduce costs. Associate Vice President James cautioned against expecting immediate savings in the area of academic collaboration. She observed that programs are improved when they combine their strengths through collaboration. One such example is the B.S. offered by the Nursing Consortium via distance education. Representatives of the program discussed what they had learned from their efforts and cited four principal challenges to collaborative programs: (1) matching technology to teaching goals; (2) workload accountability; (3) faculty development; and (4) establishing an equitable tuition policy.

Report of the Vice President for Academic Affairs

1997 Minority and Disadvantaged Student Annual Report

The committee accepted the Minority and Disadvantaged Student Annual Report. In discussion, Emeritus Professor Lee Hansen (UW-Madison) questioned these programs' efficacy and asked whether their current funding levels can be justified in light of other priorities. Provost John Wiley (UW-Madison) challenged the negative characterization of diversity programs, asserting that there are some successes in terms of students currently enrolled and degrees given. Addressing the perception that some UW-Madison students admitted are unprepared for college-level study, Provost Wiley stated that UW-Madison admits only qualified students and that the university's mission is to serve all qualified Wisconsin citizens.

In discussion following Regent Krutsch's report, Regent Randall expressed his strong support for the *Design for Diversity*, adding that he has heard Regents repeatedly indicate support for this plan; in particular, he appreciated the comments of Regent Brandes, who emphasized the importance of diversity on campus because the university provides qualified employees for businesses who, in turn, value a diverse work force. However, he noted, the University of Wisconsin is not producing minority graduates from

its programs at rates that satisfy neither the System's needs nor the needs of businesses and governmental entities. Citing the report, he noted that of more than a 1,000 doctoral degrees granted by UW-Madison and Milwaukee, only seven were granted to African-Americans; master's and undergraduate degree granting programs were no better. Given the importance of citizens' contributions to the state, Regent Randall observed that as the population of Wisconsin becomes increasingly diverse, there will be an increased need for an educated and diverse public to fulfill these social responsibilities. Stressing that "dismal" results should not be allowed to persist, and that no one should be satisfied to have "weathered" another presentation of such results in the effort to improve diversity, Regent Randall challenged the Board and the System to improve upon these results, offering his assistance toward that end.

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Pre-college preparation - Regent John Benson

Regent Benson reported on the collaboration between the UW System and the Department of Public Instruction to provide precollege programs for minority and disadvantaged young people. He stressed that the support of UW System Administration, the Chancellors, and their institutions plays a significant role in the program's success. Regent Randall expressed concern about the relatively low number of minority students enrolled, particularly considering the \$18.5 million that is expended on this program. Regent Brandes expressed the interest of the business community in hiring diversified graduates.

General Education Report: UW-Stout

Associate Vice Chancellor Robert Sedlak (UW-Stout) provided a report regarding UW-Stout's significantly revised general education program. Regent Krutsch reported that the committee had held a lengthy discussion of the quality and cost of assessing general education.

New program authorizations:

The committee performed an initial review of a proposed BA in Criminal Justice at UW-Parkside, and was very supportive of the proposed program. Regent Krutsch added that UW-Parkside promised to continue its efforts to develop programs to serve the community in that area.

Learning Outcomes for the Baccalaureate Degree

Regent Krutsch reported that the committee had approved Resolution 7420, which revises the reporting cycle for general education programs to coincide with North Central Accreditation reviews and requires that institutions examine expected baccalaureate degree outcomes as part of their accreditation review, with the results of that examination to be reported to the Senior Vice President for Academic affairs and to the Board of Regents. Expressing her desire to make the statement of expectations more explicit and noting there was insufficient consensus to do so at this time, Regent Krutsch stated that she believes it is important for citizen governing boards to consider issues of general education. Observing that while faculty have expertise in their particular fields, and that they may not have special expertise regarding the general skills students should have upon graduation, Regent Krutsch stated that citizen governing boards should also contribute equally to the establishment of these requirements. Citing the need for continued discussion of this issue, she expressed her dismay that students might graduate with gaps in basic knowledge and observed that the resolution adopted by the Board ensures that when accreditation reviews come before it, the issue will be discussed. She concluded her report by observing that John Wiley (Provost and Vice Chancellor, UW-Madison) had commented on some fundamental concerns regarding general education requirements, having observed that all UW institutions are working to assess these programs and that these inquiries have raised questions about whether assessment should follow current or evolving standards, and whether it can be performed in ways that are both cost-effective and meaningful.

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REPORT OF THE BUSINESS AND FINANCE COMMITTEE

Consent Agenda Items

Regent Barry, Vice Chair, provided the report. He began by moving the adoption of Resolutions 7422 - 7428 as a consent agenda; his motion was seconded by Regent Smith, and passed unanimously. Prior to the vote, Regent Barry highlighted two of these resolutions. He first noted that Resolution 7427 establishes a program to recognize excellence among academic non-teaching staff just as current programs recognize excellence among faculty and academic teaching staff; second, he stressed that the expansion of the UW-Madison Kohl Center (Resolution 7428) will be funded from gifts which will facilitate making the facility available for hockey in the future, thus avoiding the greater expense of later conversion.

UW-Whitewater: Authority to Construct a University Center Down Under Renovation Project

Resolution 7422: That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, authority be granted to construct a University Center Down Under Renovation project at an estimated total project cost of \$530,500 (\$450,000 Residual Program Revenue Borrowing and \$80,500 Program Revenue Cash).

UW-Madison: Approval of the Design Report and Authority to Construct a Steenbock Parking Lot 36 Ramp

Resolution 7423: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority granted to construct a Steenbock Parking Lot 36 Ramp at an estimated cost of \$3,807,000 using Campus Parking Utility Funds (\$3,426,000 Program Revenue Supported Borrowing and \$381,000 Program Revenue - Cash).

UW Center-Richland: Conceptual Approval of the Plan to Construct an Administration Building Expansion Plan and to Seek State Funding for Movable and Special Equipment

Resolution 7424: That, upon the recommendation of the UW Centers Interim Chancellor and the President of the University of Wisconsin System, the conceptual plan for constructing an Administration Building Expansion at UW Center-Richland be approved and authority granted to seek State funding to provide Movable and Special Equipment at an estimated cost of \$200,000. State funding for this equipment is included as part of the UW System's 1997-99 Capital Budget request.

UW-Madison: Approval of Budget Increase for Armory (Red Gym) Renovation Project

Resolution 7425: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget by \$750,000 of Gift Funds to construct the Armory (Red Gym) Renovation project, at a revised total project budget of \$11,750,000 (\$5,500,000 General Fund Supported Borrowing and \$6,250,000 Gift Funds).

Contractual Agreement with Alteon, Inc.

Resolution 7426: 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 Alteon, Inc., entitled "APR0002--A Placebo-Controlled Safety and Efficacy Study of Amino-Guanidine In Diabetic Patients With Overt Diabetic Nephropathy."

Authorization to establish the Regents Administrative and Professional (Nonteaching) Academic Staff Excellence Awards

Resolution 7427: That, upon the recommendation of the President of the UW System, two \$5,000 Regents Administrative and Professional (Nonteaching) Academic Staff Excellence Awards be established, with annual funding from the systemwide faculty and staff development fund.

UW-Madison: Authority to Expand the Scope and Increase the Budget for the Kohl Center Sports Arena Project

Resolution 7428: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to expand the scope and increase the budget for the Kohl Center Sports Arena project by \$4,380,000 of Gift Funds for a revised total project budget of \$76,380,000 (\$49,380,000 Gift Funds and \$27,000,000 Program Revenue Supported Borrowing).

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Resolution of Support for the Board of Regents' 1997-99 Capital Budget Request

Regent Barry reported that, rather than discuss the 1997-99 Capital Budget in the Physical Planning Subcommittee, the entire Business and Finance Committee addressed the serious under-funding that may be recommended in the Capital Budget. Several Chancellors addressed the Committee regarding their campuses' capital projects. Regent Barry then moved the adoption of Resolution 7429, which was seconded by Regent Randall and passed unanimously. Regarding this resolution, Regent Lubar emphasized that it is based on preliminary information the Board had received, and expressed, on behalf of the Board, that the preliminary information was incomplete; he observed that

this resolution is aimed at expressing the Board's responsibility and stewardship of the University of Wisconsin physical assets

Resolution 7429: The Board of Regents takes seriously its responsibility for good stewardship of the UW System's physical assets. To this end, we have rigorously prioritized our physical plant needs, focused on maintenance and renovation of existing space, and carefully tailored capital budget requests to support essential academic program changes, including instructional technology.

The Regents' GPR capital budget request for 1997-99 totals \$121.6 million. Preliminary figures received from the Department of Administration indicate only about \$30 million of new funding will be recommended. In 1997-99, about \$110 million in outstanding bonds on UW System facilities will be retired.

We are deeply concerned that the State's investment in its university facilities be protected by, at a minimum, reinvesting the proceeds of retired university bonds to meet pressing future needs. We cannot expect alumni and private donors to step up and help if the State will not at least maintain a level investment in its own facilities. The WISTAR program shows what can be done when this partnership is strong: under WISTAR \$150 million of State bonding has been matched by \$114 million in private gifts and grants by the UW System.

During the last few biennia the University of Wisconsin System Capital Budget has been funded far below the amounts requested by the Board of Regents. The reason given has been that there are limited State General Obligation Bonding monies available. The deferral of these projects is creating a mounting backlog in facilities needs. Without a State commitment to reinvest funding freed up by bond repayments, the UW System's Capital assets and its academic programs which depend upon them will be seriously impaired. If State General Obligation Bonding is limited, an effective alternative must be pursued. The Board of Regents has proposed such an alternative method of financing in the form of UW System Revenue Bonds secured by university gifts, grants, and tuition revenues-

-a funding mechanism used by most other states for university facilities.

We strongly urge the Governor and the State Building Commission to seriously consider this funding alternative and make a commitment to reinvesting in the facilities the UW System needs for the future, at least at the level of university bond repayments.

Approval of minutes of the March 6, 1997 meeting of the Business and Finance Committee

The minutes of the March 6, 1997, meeting of the Business and Finance Committee meeting were approved.

Report of Physical Planning Subcommittee

Regent Barry noted that the Physical Planning Subcommittee had also approved Resolution 7430, which concerns the sale of UW-Platteville's Rountree House. He noted that the revision requires the Board to sell the house at the average of two appraisals, but not less than \$275,000. His motion to approve Resolution 7430 was seconded by Regent Smith, and passed unanimously.

UW-Platteville: Authorization to Sell Rountree House in the City of Platteville

Resolution 7430:

That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of Wisconsin System, authorization be granted to sell the property located at 150 Rountree Avenue in the City of Platteville (J. H. Rountree Mansion, known as Rountree House), at a price that is the average of two appraisals but not less than \$275,000. Pursuant to authority granted to the Board of Regents under section 36.11, Wisconsin Statutes, it has been determined that it is in the best interest of the University of Wisconsin System and the State of Wisconsin to dispose of this property.

The Rountree House is listed on the National and State Registers of Historic Places. Because of the significant historical attributes which attend this property it is important that a number of very limiting conditions be

applied to the disposition of this property. Those conditions, which will be incorporated into the sales documents, are as follow:

- a. The application of Sec. 44.41(3) Wisconsin Statutes that requires "If a State agency transfers or sells any listed property it shall resume a conservation easement under s. 700.40 to be transferred to and need by the State Historical Society..." Sec. 700.40 Wis. Stats., the Uniform Conservation and Easement Act defines the easement and secures the right of the State Historical Society to preserve and maintain the property.
- b. That the new owner must sign an official historic preservation covenant with the State Historical Society within six months of the closing on the transfer of the property, and abide by all conditions imposed by that covenant.
- c. That within six months of signing the Covenant, the new owner shall commence any approved alterations and improvements and establish a schedule for completion of such work that is acceptable to the State Historical Society.
- d. Failure to comply with the conditions of foregoing paragraphs b. and c. will result in ownership of the property being returned to the University of Wisconsin System Board of Regents, with compensation limited to one dollar (\$1.00).

Report of the Audit Subcommittee

Vice President Bromberg presented the Committee with the Third Quarter Internal Audit Report, noting that NCAA-required financial audits were performed at UW-Milwaukee and UW-Green Bay and that the Legislative Audit Bureau has begun the federally-required A-133 audit of federal gifts, grants and contracts for Fiscal Year 1996. In her report, the 1997-98 Audit Schedules of both the System Administration Office of Internal Audit and the institution internal audits were also presented.

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UW-Extension: LAB Audit

Regent Barry reported that Vice President Bromberg and Chancellor Beaver had reported that the Legislative Audit Bureau audit of UW-Extension contained only two recommendations, with which System Administration is in agreement. He noted, as well, that Regent Smith had expressed concern that the Board was given inadequate time to review the document prior to the meeting, commenting that many issues raised concern Regent policies and need to be examined in that context. In discussion following the report, President Lyall added that, while there were only two formal recommendations in the audit report, both of which the UW System agrees, the report also raises a number of other questions. Among these are philosophical questions about the mission and focus of the UW System's outreach activities as well as questions concerning how the System can balance the need for user fees with its traditional obligation to serve low income and rural residents of the state. Concurring with Regent Smith's observation regarding the report's relationship to policy issues, she responded that these questions are complex questions and deserve careful consideration; in light of that, she offered to return to the Board next month with some suggestions about how System Administration might approach those discussions.

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Sales Tax Exemption

Regent Barry also noted that Vice President Bromberg had provided an update on the Joint Audit Committee meeting with respect to the sales tax exemption. Representatives of UW and the Department of Revenue will work with Committee Co-Chairs to amend current statutes to ensure that all UW students continue to be exempt from sales tax on food and beverages.

Campus Development Planning Process (Postponed)

Regent Barry noted that the campus development process report that had been scheduled was postponed so that the Committee could attend a tour of the Kohl Center.

Gifts, Grants And Contracts

Gifts, grants and contracts for the nine-month period ended March 21, 1997, gifts, grants and contracts were \$465.8 million, an increase of \$29.3 million from the previous year. Federal awards decreased \$0.4 million, while non-Federal awards increased by nearly \$30 million.

Additional Items

Under additional items, Regent Barry reported that Vice President Bromberg had updated the committee regarding a draft bill for establishing an optional retirement system for UW faculty and academic staff. He noted that while the System does agree in principle to an alternative plan, the current draft contains language that may create problems for the System.

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REPORT OF THE 21ST CENTURY IMPLEMENTATION COMMITTEE

Discussion of luncheon topic, “Strategic Investments in the UW System in the 21st Century,” by Dr. Bruce Johnstone

Regent Orr, Chair, in providing this report, observed that much of the committee's discussion had already been described by Regent Krutsch, since it had met in joint session with the Education Committee. Following that joint session, the committee had engaged in further discussion with Bruce Johnstone regarding his presentation. Regent Orr noted that he had praised the *Board of Regents Study of the UW System in the 21st Century*, observing that it incorporated elements he sees as critical to a successful planning experience, particularly in that it is goal-oriented, defines clear objectives, and establishes an agenda that meets state needs while recognizing that the execution of the plan will occur at the campus level. Among his noteworthy observations was that large institutions serve a number of different constituencies: implementing change takes time. The campuses will have to do this work, while System bears the burden of monitoring implementation and to ensuring that it occurs. As such, Regent Orr noted that if the expectation of sudden change or the urge to adapt or change the Study's goals without careful consideration might disrupt the institutions' plans to implement the goals established last year. Therefore, the committee has recommended that the orientation of new Regents include “a significant segment” on the process in which this Board engaged to produce the Study, both to underscore the careful process through which it was created, as well as to retain the “institutional memory” of the goals established.

Regent Orr also noted that Dr. Johnstone had made interesting observations regarding tenure review, which he perceives as a vital exercise in which the faculty must take a serious interest. Regent Orr noted that Dr. Johnstone expressed a belief shared by the Board that the vast majority of the UW faculty are productive, hard-working and highly qualified; however, Dr. Johnstone suggested that there may be a tiny minority that not only fails to meet the high standards of the larger group, but which may also generate problems that, when brought to public attention, are disproportionately negative. Dr. Johnstone suggested that, for the benefit for the institution and the vast majority of the highly productive people in the institution, peer review by faculty can identify problems

and attempt to rectify them through coaching, training or professional development; as a last resort, faculty reviewers would be able to act upon those problems in order to ensure the integrity of the institution.

In discussion following Regent Orr's report, Regent Lubar commented on the Board's *Study of the UW System in the 21st Century* request of the administration and legislature that the UW System be granted independent bonding authority. He noted that Regent Smith had expressed concern that the Legislature does not have a full understanding of the high priority of this request. Regent Smith explained that, in his discussions with various individuals regarding this subject, he has found that many do not understand the potential benefits of this request; recommending that an effort be made to improve communication about this issue, he observed that communication can be enhanced by adding a careful analysis of the costs and benefits to all parties involved, i.e., that the Legislature needs to be apprised of what its constituents and the State can gain by granting the UW System this authority. Regent DeSimone agreed, suggesting that Vice President Paul Brown be asked to reprise his August 1996 presentation on this subject. Since this proposal is a "major change of direction," Regent Orr noted that understanding and accepting it would take time; however, introducing this issue at this time might detract from the more important issue of seeing the UW System through the budget process in an era of limited resources. Regent Smith agreed, observing that the meeting the demands of the prison system would draw significant funding from the UW System.

UW Centers Collaboration with the UW System 4-year Institutions

Regent Orr reported that Howard Thoyre (Interim Chancellor, UW Centers) and Marie Wunsch (Provost, UW Centers) had discussed the Centers efforts to extend their collaboration with the four-year institutions. Observing that the Centers are a wonderful resource for the State where students can obtain a high quality liberal arts education at a low-cost (in many cases, near their home), Regent Orr added that the Centers permit them to build a good foundation before they move on to a further educational choice. However, given the declining Centers enrollments and the resulting need for the UW System to subsidize the Center System, Interim Chancellor Thoyre has developed a number of strategies to reverse that trend. Provost Wunsch described these strategies to the Committee. Regent Orr noted that these innovative strategies may best serve students who are "place-bound" and who would benefit from distance education initiatives; the Center System is making efforts to develop programming to meet that need. In addition, they are working with the technical and four year colleges to develop collaborative programs that might, for example, permit Center students to attain a degree at the Center in a 3-year period.

Regent Orr concluded his remarks by noting that the Committee had adjourned after this discussion in order to participate in the tour of the Kohl Center.

CLOSED SESSION

At 9:50 a.m., Regent Orr made a motion to approve Resolution 7431. His motion was seconded by Regent Randall and was adopted on a unanimous roll-call vote, with Regents Barry, Benson, Brandes, Brown, DeBraska, DeSimone, Krutsch, Lubar, Orr, Randall, Smith, and Steil (12) voting in the affirmative.

- Resolution 7431: That the Board of Regents recess into closed session to consider honorary degree nominations at UW-Oshkosh; to consider a student appeal from a UW-Madison decision; and to consider naming a UW-Platteville building after a person as permitted by s.19.85(1)(f), *Wis. Stats.*, to consider annual evaluations; to consider extension of a leave of absence, UW-LaCrosse; to consider appointment of an interim provost and Vice Chancellor and to consider salary adjustments above the group 6 maximum at UW-Madison; as permitted by s.19.85(1)(c), *Wis. Stats.*, and to confer with legal counsel, as permitted by s.19.85(1)(g), *Wis. Stats.*

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Upon arising from Closed Session, the Board announced the adoption of the following resolutions.

UW-Oshkosh: Honorary Degrees

- Resolution 7432: That, upon the recommendation of the Chancellor of the University of Wisconsin-Oshkosh and the President of the University of Wisconsin System, the following persons be awarded honorary degrees by the University of Wisconsin-Oshkosh, subject to acceptance by the nominees:

Jean Nelson
Philip Nelson
John Vette III

UW-La Crosse: Extension of leave of absence beyond the initial two years for a faculty member

- Resolution 7433: That, upon recommendation of the Chancellor of the University of Wisconsin-La Crosse and the President of the University of Wisconsin System, the leave of absence for Susanne Fischer, Lecturer/Coach,

Department of Exercise and Sport Science, be extended through the 1997-98 academic year.

UW-Whitewater: Appointment of an Interim Provost and Vice Chancellor at a salary exceeding the Executive Salary Group Six maximum

Resolution 7434: That, upon recommendation of the Chancellor of the University of Wisconsin-Whitewater and the President of the University of Wisconsin System, the Chancellor be authorized to appoint Dr. Larry Davis Interim Provost and Vice Chancellor for Academic Affairs, at an annual salary of \$99,500, effective August 1, 1997.

Authorization of temporary base salary adjustments above the Executive Salary Group Six maximum University of Wisconsin-Madison

Resolution 7435: That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the following salary adjustments, resulting in salaries above the Executive Salary Group Six maximum, be approved, effective immediately:

Franz J. Himp sel, Professor of Physics, to C\$121,966;
James Taylor, Professor of Chemistry, to C\$121,206.

Appeal of UW-Madison decision in dismissal from program

Resolution 7436: That, upon the recommendation of the Committee on Student Discipline and Student Appeals, the Board of Regents adopts the Final Decision sustaining the UW-Madison determination that the appellant was not discriminated against in treatment in or dismissal from a UW-Madison Program.

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The meeting adjourned at 12:05 p.m.

Submitted by

Judith A. Temby
Secretary

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EXHIBIT A

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

EXECUTIVE COMMITTEE

Minutes of the Meeting

March 18, 1997
4:00 p.m.

Held by telephone conference
originating from 1720 Van Hise Hall
Madison, Wisconsin

Executive Committee members participating: Regent President Grebe, Regent Hempel, Regent Krutsch, and Regent Orr. Regent James also participated.

Executive Committee members unable to participate: Regent Barry, Regent Lubar and Regent Steil

Also participating: President Lyall, Senior Vice President Sanders, Vice President Brown, Assistant Vice President Ives, General Counsel Stathas, and Secretary Temby

Authority to purchase improved parcel of land in Platteville

Senior Vice President Sanders and Vice President Brown presented this request for purchase of a property to serve as a residence for the Chancellor. The matter had been discussed with area legislators and with representatives of the Department of Administration. It was noted that Rountree House, the former residence, would be prohibitively costly to repair.

After discussion of the cost of the proposed purchase, timing requirements and funding alternatives, it was moved by Regent Orr, seconded by Regent Krutsch and unanimously carried that the following resolution be adopted:

Resolution 7412 : That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of

Wisconsin System, authority be
granted to purchase a .9 acre improved parcel of
land located at 895 West Main Street in
Platteville, using \$200,000 gifts
and \$200,000 of State Building Trust
Funds or bonding, and to adjust the
campus boundary accordingly.

Authorization to recruit for a Dean, UW Center - Barron County

At the suggestion of Regent Krutsch, the third item in the list of responsibilities of the dean was revised to read: "to provide leadership to the Barron County campus in internal priorities and initiatives and to advocate for the campus to external constituents".

Upon motion by Regent Krutsch, seconded by Regent Hempel, the following resolution was adopted unanimously:

Resolution 7413: That, upon recommendation of the Interim Chancellor of the University of Wisconsin Centers and the President of the University of Wisconsin System, the Interim Chancellor be authorized to recruit for a Dean, UW Center-Barron County.

The meeting was adjourned at 4:30 p.m.

Judith A. Temby, Secretary

March 24, 1997