

Minutes
Business and Finance Committee
Board of Regents of the University of Wisconsin System
April 6, 2000

The Business and Finance Committee met in Room 325-326 of the Pyle Center, 702 Langdon Street, Madison, at 12:55 p.m., in a joint session with the Education Committee, with all Regents invited. Present were Regents Axtell, Benson, Boyle, Brandes, De Simone, Gottschalk, Marcovich, Olivieri and Randall. Also in attendance were Regents Alexander, Barry, Gracz, Mohs, Orr and Smith.

I.2.a. Student Budget Priorities for 2001-03

Michelle Diggles, President of United Council, noted that, beginning in November 1999, students on all the campuses had input into the defining areas of need in accessing a quality, affordable education. She stressed United Council's desire to work together with the Board of Regents throughout the State budget process to strive for a better UW System. Ms. Diggles outlined the seven priorities identified by students for the 2001-03 budget:

(1) Create financial aid for student parents to defray the cost of child care. Increase Lawton by 100% of the current amount and decrease the number of credits required to receive Lawton from 30 to 24. Increase or create a System financial aid fund that will allow campuses autonomy in distribution.

(2) Increase the availability of Gay, Lesbian, Bisexual and Transsexual (GLBT) programs. Make funds available for campuses/System to create GLBT programs in Plan 2008 and provide funds and FTE for System/campus GLBT system coordinators.

(3) Restore the 1999-01 Plan 2008 funding to the requested level of \$7.9 million. Identify campus administrators to track and keep information. Increase funds for all programs in Plan 2008. Increase funding for campus multicultural centers.

(4) Increase funding for libraries for updated printed materials. Include diversification of printed materials for all student groups. Request the unfunded \$4.7 million from the 1999-01 budget request.

(5) Increase funding for Women's Studies Programs in the System. Increase funding for Women's Studies faculty and increase funding to expand/create Women's Studies departments on the campuses.

(6) Tuition rollback to 35% of instructional costs.

(7) Increase financial support for academic advising.

Rob Killian, a student from UW-Green Bay, noted that, during the past decade, federal financial aid has shifted from primarily grants to primarily loans. As a result, State financial aid has become increasingly important in the ability of students to access and afford a UW education. An increasing number of students are being delayed in entering into a fully productive workforce because of the need to work several jobs in order to pay their tuition and expenses. The increased work hours often mean the students can take fewer classes per semester and, therefore, remain in school longer. Working multiple jobs also prevents students from participating in extracurricular activities and organizations and from participating in internship programs. When they graduate, they are burdened for years in paying back student loans. Students would like to see an increase in State General Purpose Revenue (GPR) support for the Wisconsin Higher Education Grant (WHEG) and the Talent Incentive Program (TIP) by 20%, and would like to link funding for WHEG and TIP to the level of tuition increases, with sum-sufficient State funding.

Chris Voltzke, Vice President of the UW-Superior Student Government, noted the need for more printed resources in the campus libraries. When writing and researching papers, students are required to utilize written resources that are not available to them at their local libraries. Although interlibrary loan is useful, in order to utilize the service, students must find another library which has the materials available and then often have to wait long periods of time for the materials to arrive. UW System

requested \$12 million dollars in library funding in the 1999-2001 budget, and \$7.3 million was approved. This was the first significant increase in nearly a decade. Also, more resources are needed for minority and disadvantaged students. Students are requesting an increase in funding by \$4.7 million, split 65/35 between State GPR and Program Revenues (PR).

Alexa Priddy, a student representing the Women's Resource Center at UW-Stevens Point, asked the Board to consider expansion of Women's Studies programs and available courses. A \$1.5 million initiative would be used to fund increased staff to have one full-time director for each of the eleven Women's Studies programs with a Women's Studies minor and two full-time director positions for the two Women's Studies programs with a Women's Studies major, increased faculty/staff at all UW Colleges campuses to teach more Women's Studies courses, and for increased classified staff positions for support staff to each of the Women's Studies programs. The increased funding would also provide needed supplies and expenses for the programs and for summer stipends for faculty to develop more Women's Studies courses.

Tshaka Barrow, Campus Relations Chair of the Associated Students of Madison, addressed the need to maintain current funding for Plan 2008 and to increase funding by \$6.2 million to reach the 1999-2001 biennial budget request, with a 65/35 split between State GPR and PR. As more students from disadvantaged backgrounds are gaining access to higher education, the need for a more creative approach to retaining students through graduation becomes obvious. In addition, students of color have identified other areas of concern on campuses which have hindered their ability to successfully pursue academic degrees. Students are very concerned about racial profiling which may exist on some campuses. Mr. Barrows noted that Wisconsin is leading the nation in educational quality through racial and ethnic diversity and further funding can have a major impact nationwide.

Scott Olson, Treasurer of the UW-Barron County Student Government, stressed the need for funding for academic advising. Many students only see their advisor during registration and often for less than ten minutes. Often, advisors are faculty or staff who have other areas to focus on and are underinformed in many areas. Students would like to see the current funding maintained for career and academic advising and an increase in funding by \$2 million, split 65/35 between State GPR and PR.

Adam Klaus, Chair of the Associated Students of Madison, spoke on the need to create an office in the UW System with a full-time coordinator to deal specifically with Lesbian, Gay, Bisexual and Transgendered (LGBT) issues. Additionally, each of the 13 four-year campuses should have at least one LGBT issues coordinator and at least one coordinator for the central office of UW Colleges.

Joe Northwood, Legislative Affairs Director of the UW-La Crosse Student Government, urged the Board to request a 35/65 split between tuition (Program Revenue) and GPR for any special initiatives included within their budget priorities. Students feel the 35/65 balance is necessary if Wisconsin is going to succeed in providing access to a quality, affordable higher education. If tuition increases are not controlled, middle and lower income students will be priced out of a college education. Ms. Diggles also stressed the importance of the Board of Regents and United Council working together to keep tuition levels affordable, noting that every dollar spent has a tenfold return in the State's economy.

Stephanie Hilton, a UW-Superior student speaking independently, noted that increased enrollment necessitates an increase in the number of faculty positions. She noted that UW-Superior is committed to maintaining a low student-faculty ratio and indicated this is important to other campuses as well.

Regent Randall asked Ms. Diggles to prioritize United Council's top three or four budget issues of the seven identified. Ms. Diggles responded that the seven priorities are of equal weight, having been narrowed from approximately 50 priorities initially identified. She indicated that, perhaps, the top priorities could be weighted by June.

Regents Axtell and Gracz expressed concern that no funding was being requested for education on alcohol and drug abuse. Ms. Diggles indicated that the System AODA Committee as well as student governments and organizations are working in that area and there is also some private funding for those programs. Therefore, substance abuse was not included in the top priorities at this time.

Regent Brandes noted that, although childcare was listed as a priority, it was not specifically addressed by the presenters. Ms. Diggles explained that the student who was to have spoken on child care was unable to attend the meeting. She added that students have been working at the State, federal and campus levels on childcare and have also been looking at programs at other universities. Although segregated fees do help on some campuses, there isn't enough funding and waiting lists are long. Regent Brandes stressed the need to be very creative in looking for funding, noting there are partnerships available. She also added the Regents are very aware of the need to keep tuition low and quality high and of the importance of the Board working together with United Council to meet those goals.

Regent Oliveri questioned the priority set on more printed materials for libraries when the focus has been increased on electronic resources. He also asked about possible collaboration throughout the System using distance education. Ms. Diggles responded that printed materials are still important for the students, and she indicated that the institutions lack both staff and resources. Students have mixed views on the use of instructional technology. Some students need more individualized help which is not available in a distance education class.

Regent Orr noted that the last biennial budget included a request for funds to increase the frequency of interlibrary deliveries, and the request did not pass in the final budget. Ms. Diggles reiterated that, although improvements in interlibrary deliveries are necessary, students still want resources available on their campuses.

Regent Alexander stressed the need for improvements in advising services, noting that students need advice not only on transfer credits, but on majors and what courses they need to be taking.

In response to a question from Regent Gracz on the 35/65 split between tuition and GPR, Ms. Diggles indicated students want more GPR to hire and pay faculty—they are concerned with having quality faculty. She added that Wisconsin is losing graduates to other states because their needs are not being met here.

Regent Marcovich thanked United Council for their presentation and reminded Regents they would be meeting with the students on Friday and could continue discussion at that time.

I.2.b. Plan 2008: Financial Aid Agenda

Assistant Vice President Arenas reviewed the Plan 2008 proposed request for financial aid in the 2001-03 Biennial Budget. The proposed request includes a \$5.5 million increase in funding for Lawton grants and a \$4.2 million increase in funding for Advanced Opportunity Program (AOP) grants.

The Lawton Grant Program started in 1986-87 and is statutorily defined by Chapter 36.34(1)(b), *Wis. Stats.* It targeted African American, Hispanic/Latino, Native American or Southeast Asian students who are sophomores, juniors or seniors. It is the last aid awarded after all other financial aid has been conferred.

The Advanced Opportunity Program is targeted to African American, Hispanic/Latino, Native American or Southeast Asian and economically disadvantaged graduate students. U.S. citizens and permanent residents are eligible, and Wisconsin residents are given preference. Recipients must be in satisfactory academic standing and demonstrate progress in their graduate program.

The Lawton Grants proposed request includes \$1.3 million in increased funding to catch up with the past ten years of tuition increases, \$0.7 million in index budget funding for Lawton Grants to increase in tuition, \$2.5 million to increase the average award to \$2,000 and \$1.0 million to make freshmen eligible to receive Lawton Grants. This proposal will increase the amount of the average award from \$1,308 to \$2,000 per student, reduce the net cost of college as a percentage of disposable income for most needy students from 44% to 38% or lower, increase the percentage of students of color receiving Lawton Grants (currently 26%), add over 500 freshmen as recipients of Lawton grants and will support Plan 2008 initiatives by aiding in the recruiting and retention of students of color.

The Advanced Opportunity Program proposed request includes \$3.0 million in increased funding to catch up with the past ten years of cumulative tuition increases and \$1.2 million index budget funding

for AOP grants to increases in tuition. This will increase the number of graduate students receiving AOP awards (currently less than 28% of eligible graduate students receive the awards), will help financial aid keep up with tuition increases without increasing students' debt load and will support Plan 2008 initiatives by aiding in the recruiting and retention of graduate students of color.

Regent Smith asked what had been learned from the first two years of Plan 2008 and why the focus was being given to financial aid this biennium. Assistant Vice President Arenas responded that what has been learned is the need to be very strategic and focused over the ten-year period of time. The first phase was focused on precollege initiatives. Based on feedback from students of color and administration across the State, financial aid was determined to be the next area to be addressed.

Regent De Simone inquired how allocations are based between in-state and out-of-state students. Assistant Vice President Arenas explained that funds are allocated to the campuses based on a three-year enrollment of students of color. Lawton Grants go only to Wisconsin residents or Minnesota reciprocity students. Wisconsin students are given preference for the Advanced Opportunity Program.

Regent Mohs asked if Lawton Grants were awarded to students who might have a higher risk of not graduating. Assistant Vice President Arenas stated that a threshold is set based on grade point average, class rank, etc., but she is unable to speak for each campus on how they individually establish the criteria for the awards.

Regent Randall noted that grants are not keeping up with the increase in student debt, and asked how the UW System financial aid packages compare with other State institutions (i.e., Marquette). He also asked, given that the biggest part of the financial aid package is debt, how the campuses handle counseling for the students who are incurring such large debts. Assistant Vice President Arenas responded that Minority and Disadvantaged Student Coordinators report that students are being "whisked away" by more lucrative financial aid packages. According to ACT, students of color are applying in-state at a higher rate than staff originally thought, but there are not reports available to provide definite answers to Regent Randall's questions.

The joint session of the Business and Finance and the Education Committees adjourned at 2:17 p.m., and the Business and Finance Committee reconvened in Room DE 327 of the Pyle Center at 2:22 p.m. Present were Regents Marcovich, Axtell, De Simone, Gottschalk and Olivieri.

I.2.c. Approval of Minutes of the March 9, 2000, Meeting of the Business and Finance Committee

Upon the motion of Regent De Simone and the second of Regent Gottschalk, the Minutes of the March 9, 2000, meeting of the Business and Finance Committee were approved as presented.

I.2.d. UW-Green Bay Initiative

UW-Green Bay Chancellor Perkins stated that a vital region and a vital community need a vital university. A vital university is a public higher education institution focused on learning and a player in shaping the quality of life in its geographic location.

UW-Green Bay is one university among 2,200 four-year schools. Of those, 1,341 are non-profit schools and 501 of the non-profit schools are public schools. These schools are broken down into doctoral, comprehensive and baccalaureate. To qualify as a comprehensive, a school must offer 20 master's degrees, and UW-Green Bay offers 19. The average enrollment in an American baccalaureate institution is about 8,000 which is a little over double the enrollment at UW-Green Bay. Of the 21 Tier 1 and Tier 2 public baccalaureate institutions nationwide, 57% offer master's programs.

Key attributes parents and students use to compare colleges and universities are selectivity—a match between students and the institution—and ability to provide individual attention—student-faculty ratio.

UW-Green Bay is more like a baccalaureate institution than an average comprehensive university. To build on the baccalaureate core, UW-Green Bay offers professionally-oriented master's degrees, adult-oriented degree completion and Extended Degree programs, credit and noncredit lifelong learning and professional training and development. UW-Green Bay serves as a node and bridge to the vast array of UW System learning experiences such as the Oshkosh MBA, Milwaukee Engineering program and the Consortial Nursing program. They offer technical college transfer and degree-completion programs in fields such as Police Science, Corrections and Health Care Business Management.

UW-Green Bay was founded on the idea of providing a unique learning experience and remains ideally positioned to enhance the public education choice in the State of Wisconsin by pursuing a learning-experience focus.

Provost Cohen noted that the learning experience focus requires not only an academic experience, but provides for campus life as well. The University Union expansion and renovation will provide interactive student space. The Phoenix Sport Center expansion and renovation will provide health and fitness opportunities, campus-community collaborations, Division I athletics and a gathering space for large events.

Michelle Cullen, a UW-Green Bay student who served on the Task Force, stated that the initiative is unique in that it started with the students. The students feel the initiative is important for the future of the campus.

Provost Cohen noted that the University will focus on intensive work with students upon first entry to set expectations and improve retention and graduation rates. Every student has a different path through the University and requires a personalized learning structure. Competencies in skills and knowledge form the foundation for all future learning. Learning is most effective when the learner has the opportunity to teach others. The expectation is that every student would be required to document in their portfolio a professional practice experience related to their course of study and a citizenship experience.

Chancellor Perkins added that they feel that differentiation in the UW System will add value and enhance educational choice in the State. It will involve a highly engaged learning experience for students and will improve retention and graduation rates. Improving graduation rates by ten percent would result in a reduction in State investment of \$3,084 per student.

To meet the goals of this initiative, UW-Green Bay will need additional faculty, staff for advising and internships, an adjustment in the enrollment level, and campus facilities for the 21st Century. This will require Board of Regents policy and financial support of about \$4.5 million over two biennia, \$300 per year in differential tuition, student fee support for Campus Life facilities and private support for capital projects. This translates into \$3.6 million in each of the next two biennia.

Rob Killian, who served on the Task Force and has been a student government leader in the initiative, noted that \$300 per year in differential tuition amounts to a 33% increase in tuition at UW-Green Bay. However, students recognize that the plan will be meaningful throughout their educational process and meaningful to their lives in the workforce in the future. Students will stop seeing their education as ending with a degree, but will look at education as a lifelong process and be excited about learning.

Chancellor Perkins added that students have already passed a resolution supporting the differential tuition, and also just passed a proposal for increasing segregated fees to support capital improvements. UW-Green Bay will also seek private support and State support. Chancellor Perkins asked the Board to consider a three-year, two biennia approach for the initiative.

Chancellor Perkins summarized by saying that UW-Green Bay believes that Northeast Wisconsin deserves a premier public institution—a vital region needs a vital university. The University must attract and retain business and civic leaders of the next generation and must produce educated problem solvers,

team workers and lifelong learners. UW-Green Bay can be positioned as a magnet university for the region and the State.

Robert De Vos, former Vice President of Business Development, Schneider National, Inc., and a member of the UW-Green Bay Council of Trustees, who has worked with the University from the beginning of the process, encouraged the Board to support UW-Green Bay's strategic efforts to create a special learning-focused experience for its students and the community.

Chancellor Perkins thanked President Lyall for the opportunity to work "out of the box" on this initiative.

Regent De Simone noted the importance of a prototype such as this to show the Legislature that it will work. He stressed the need to look forward and try to improve the System.

Regent Gottschalk inquired what impact the initiative has on the student to faculty ratio and also asked for clarification on the differences between a comprehensive and a baccalaureate institution. Chancellor Perkins responded that the ratio would be 17 to 1. A comprehensive institution awards 20 or more master's degrees annually. UW-Green Bay's program array is too narrow to genuinely be considered a comprehensive institution. A program array to support the criteria would require UW-Green Bay to double its number of students, and that would require an additional 196 faculty positions, at a base cost of approximately \$16 million. UW-Green Bay is choosing to focus on its strengths as a baccalaureate institution and responsiveness to the community.

Regent Olivieri commented that when he had heard the presentation initially from an enrollment perspective, he had been concerned that it seemed to be serving fewer students with more money. His understanding now is that more money is being spent, but it is resulting in a higher graduation rate. He expressed concern for the lack of emphasis being placed on the use of technology in the delivery of educational services. Chancellor Perkins responded that technology is a tool in the learning experience in this initiative and not the learning experience in that it rests under the learning experience.

Regent Axtell asked if the mission of UW-Green Bay was being changed, revised or being kept the same. Chancellor Perkins responded that they are amplifying the mission.

Regent Marcovich noted that, due to time constraints, the Committee could not entertain all the questions and comments on this topic and invited Chancellor Perkins to come to the May meeting to continue the discussion.

I.2.e. Trust Funds

(1) Endowment Annual Report (NACUBO Comparison)

(2) Equity Manager Reallocation

Due to time constraints, the Committee did not have time to hear Treasury Manager Mill's Endowment Annual Report (NACUBO Comparison) or the Update on the Reallocation of Endowment Funds. However, both reports were included in the Regent mailing.

(3) University of Wisconsin System Trust Fund Request for Principal Expenditure Elsie Engel Bequest

Upon the motion of Regent De Simone and the second of Regent Olivieri, the Committee approved Resolution I.2.e.(3).

Resolution I.2.e.(3)

That, upon recommendation of the President of the University of Wisconsin System, and the Chancellor of the University of Wisconsin-Madison, the principal and income balance of the Elsie Engel bequest become available for spending.

I.2.f. Report of the Vice President

Acting Vice President Durcan indicated that UW-Madison Vice Chancellor Torphy was present to update the Committee on the status of the Blue Cross & Blue Shield transfer. Vice Chancellor Torphy informed the Board that the Commissioner of Insurance has issued an order which, if approved, would give the Board of Regents responsibility for appointment of eight of nine members of a community health advisory and oversight board. That board will have direct authority dealing with the expenditure of 35% of the earnings of the money that comes to the Medical School. Four of the representatives will represent the Board of Regents and the Medical School, and the other four will represent community advocacy groups. The Board of Regents will also be responsible for approving five-year plans for the resources for medical education and research. The topic will come back to the Business and Finance Committee at the May meeting, along with a written explanation of the proposal.

I.2.g. Additional Items Which May Be Presented to the Business and Finance Committee with Its Approval

No additional items were presented at this time.

I.2.h. Closed Session to Consider Trust Fund Matters as Permitted by s.19.85(1)(e), *Wis. Stats.*

Upon the motion of Regent Axtell and the second of Regent Olivieri, the Business and Finance Committee adjourned to Closed Session at 3:25 p.m. to consider Trust Fund matters, as permitted by s.19.85(1)(e), *Wis. Stats.* Present were Regents Marcovich, Axtell, De Simone, Gottschalk and Olivieri.

The Business and Finance Committee adjourned at 3:30 p.m.

Donita R. Zintz, Recording Secretary