

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

Room 1820 Van Hise Hall
Madison, Wisconsin
Thursday, March 9, 2000

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PRESENT: Regents Alexander, Barry, Boyle, Brandes, DeSimone,
Gottschalk, Gracz,

James, MacNeil, Mohs, Olivieri, Orr, Randall and Smith

ABSENT: Regents Axtell, Benson, and Marcovich

Report on Study of Trusteeship

Regent President Orr introduced Regent Emeritus Phyllis Krutsch, who had served on the Board from 1990-1997. During her tenure on the Board, she chaired the Education Committee for three years and served as vice-chair for two years. She also was the Board's representative to the national Association of Governing Boards. After completing her term, she undertook a study of public university trusteeship, with support from the Lynde and Harry Bradley Foundation. During the 2-year project, she visited several public universities, observed board meetings, interviewed board members and administrators, and has written a guide for new board members. Her presentation at this meeting concerned some of her conclusions as to best practices in trusteeship.

Ms. Krutsch began her presentation by noting that, as part of her study, she visited the University of California System, the State University System of Florida, the University of Minnesota and the University of Georgia System. Through interviews and observations of meetings, reading, analysis and the experience of her own service as a Regent, she identified a number of best practices for effective trusteeship.

First, boards should truly understand their role and responsibilities. In that regard, it is necessary to recognize that the governing board is the policy maker for the institutions and, according to the Association of Governing Board's Statement on Institutional Governance, "cannot delegate their fiduciary responsibility for the academic integrity and financial health of the institution." Boards that understand their role become more comfortable with the inherent tension involved in their responsibilities for both advocacy and oversight. They also recognize that credible oversight is a prerequisite for effective advocacy. Boards that gain the most respect, Ms. Krutsch found, are independent of both university insiders and elected officials. She felt that a good test for board members is to ask themselves whether, as a board, they added value to a particular policy or initiative. One of the board members she had interviewed set forth what she considered the perfect mission statement for the lay governing board: "The board is the

fiduciary". This implies a disciplined and long-view stewardship, different from the perspective of any of the university's constituent groups.

Second, boards should be familiar with the context and culture of governing a university or university system in their particular state. This includes state statutes giving the board its authority and powers, board bylaws and policies, the budget process, the role of the governor and state legislature in higher education decision-making, the role of faculty in internal governance and a sense of the history of the university-state relationship. It also is important to understand the political culture of the state and informal as well as formal governance mechanisms. Other significant factors are the strengths and limitations of the kind of board involved, whether it be a system board or a board governing a single institution. System boards, for example, often have responsibility for statewide higher education planning and tend to balance their advocacy with oversight, taking into account the statewide higher education picture. On the other hand, system boards can seem far removed from individual institutions, and lack of clarity about board priorities can foster more of a compliance than an entrepreneurial mode. In this regard, Ms. Krutsch noted that Wisconsin has made changes in recent years that stress campus individuality, initiative and flexibility, while at the same time developing policies that reward collaboration and attention to statewide needs. From a trustee perspective, she remarked, having an understanding of the full governance picture, recognizing the scope of policies and issues that best fit the board's responsibilities, and finding ways to work with other boards and decision-makers to accomplish shared goals can greatly enhance chances for success.

Third, boards should recognize that the hiring and evaluation of the president is their most important and consequential responsibility, and know that a good board-president relationship is at the heart of their ability to govern in a meaningful way. A wise board, Ms. Krutsch indicated, hires a leader who shares its vision for the university, integrates the successful implementation of board-president priorities into regular evaluations of the president, and expects the president to do likewise with key staff members.

With regard to search and screen procedures, Ms. Krutsch commented that current practice, under which a predominantly faculty committee narrows the field to approximately three finalists, can result in eliminating candidates who might be attractive to the governing board. Recently, she found that boards have begun to reassert their responsibilities for presidential selection in a variety of ways, including greater use of professional search firms, clear communication, early in the process, with the search committee about priorities of the board, board presence on the search committee, and/or appointment of business and community leaders to the search committee.

Fourth, boards should focus on big picture issues and accountability for results, make policy in a consultative and collegial fashion, and communicate their priorities to the public. In this regard, she commented, an effective board internalizes three rules: 1) Focus on the really important issues - those tied to educational quality, cost-effective use of resources, and responsiveness to state higher education needs; 2) Integration - ensuring that board policies make their way into what happens on campus by building in incentives, holding administrators accountable, and making sure that budgets at every level reflect the board's priorities; and 3) Follow-up by making sure that the board's resolutions are implemented and making it clear to whom and for what campus leaders are answerable.

Ways for a board to determine its agenda of big-picture issues might include an annual retreat for the board and the CEO, or the board, CEO and invited guests from the campuses, elected officials, and business and community leaders. Appointment of special task forces or working groups are other possibilities, as are development sessions about key higher education topics.

Meaningful accountability, Ms. Krutsch commented, lies in selecting the most significant measures and including consequences for results. To this end, annual accountability reports have become the norm in many states. In-depth review of accountability reports, she felt, should be a focal point of board activity. Another tool that boards can use for follow up and accountability is the audit. In some states, the board's audit committee is used for general oversight and as a way to see how major initiatives of the board are being implemented on the campus. The board also can work cooperatively with a state audit agency to look at areas where the board has concerns or questions, taking advantage of the expertise of the agency's professional staff. Another means utilized by some boards is to hire auditors from private firms with expertise in a particular higher education area.

As part of an overall strategy to bridge the gap between the university and the public, Ms. Krutsch felt the board should energize its communication with the public, especially relating to its concerns for educational quality, cost-effectiveness and responsiveness to state needs for higher education. To do this, boards can utilize the expertise of university relations staff, and board members can speak to community groups, legislators, news media and others.

Fifth, boards should understand the importance of having active, capable leaders, particularly in the positions of board president and as chairs of board committees. Governors should consider this in making appointments and boards should groom current board members for future leadership roles. Dynamic board leaders, she noted, act as a counterpoint to potential administrative dominance. Since the CEO cannot always consult with the full board, it is the board president who must provide a "sense of the board". The board president is the voice of the board to the press, legislators and others.

The board president's vision is critical in leading the board to develop a strategic agenda, and his or her savvy is apparent in appointing able committee chairs.

Sixth, boards should recognize that "good information" - including orientation for new members, regular "topical tutorials", ongoing development, and thorough, option-oriented agenda materials - is a prerequisite to sound policy making. One problem for boards, Ms. Krutsch commented, is that they don't know as much as they could about higher education issues and don't have enough of a context for new information. In that regard, she recommended topical tutorials - short but thorough looks at relevant areas, such as time and credit-to-degree issues, graduation rates, or the budget process, for example. Sometimes, she felt, it can be worthwhile for a board to look outside the university for special expertise by such means as hiring a private consulting firm to gather information. Boards also can gain perspective by meeting with boards from other states.

It is important, she continued, to orient new board members in a way that allows them to understand the role of the board, expectations for them as board members, and the fundamentals and recent history of the campus or system they are governing. This might include a personal session with the board president and CEO, along with a handbook of reference materials.

Good information means full explication of all sides of an issue, including options that the board can consider in making decisions. One reason board information does not always meet expectations, Ms. Krutsch commented, is that providing the kind of information the board needs is not a top priority. Rather, staffing the board is something university officials do in addition to their other assignments. In that regard, those moving up the administrative ladder are judged on the evaluation of their administrative superiors and other important measures, but seldom on how well the information they provide has empowered the governing board to think outside the box. It is helpful, she felt, to recognize this structural dilemma and find ways to minimize problems. While some boards have policy staff that report solely to them, the bulk of a board's work will be done by professionals with other duties. She suggested that all involved have an obligation to keep in mind the board's unique perspective and need for independent judgement to meet its special fiduciary responsibilities.

Finally, boards should have in place a strategic committee structure and meeting format designed to focus on what matters. In a Harvard Business Review article titled, "The New Work of the Nonprofit Board," the authors advocated that board structure mirror the institution's strategic priorities and suggested making better use of ad hoc committees and special task forces that address a strategic issue. The UW System Board, Ms. Krutsch felt, was a model for this approach in its 21st Century Study, which addressed critical issues through working groups composed of board members, staff, chancellors, faculty, legislators, community members and students. One of the

advantages of this format, she felt, was that the board's work was dynamic and keyed to results, and the central aspects of the study were integrated into the budget request.

The Georgia Board uses a Strategic Affairs Committee, in which the full board, as a committee of the whole, looks at important issues selected by the board president. As part of the process, they listen to a wide variety of experts on the issue in question before coming to consensus about how to proceed. The University of California Board makes use of seriatim committee meetings in which the full board participates, but only members of the committee vote. This allows the board an opportunity to have an initial discussion and time to reflect before the matter is considered again by the full board the next day. The California Board also has an informal rule against voting on any issue of significance at the same monthly meeting at which the topic is introduced for the first time.

Regardless of the format, Ms. Krutsch said, the board president and committee chairs should be involved with the CEO and vice presidents fully from setting the agenda to development of the resolutions that appear before the committees and board. Boards also should periodically review their policies, eliminate those that are inconsistent with later policies, and consolidate for coherence.

In response to a question by President Lyall, Ms. Krutsch noted that there is a wide variety of board structures nationally. In Wisconsin, the Board is able to look at the big picture because it is a consolidated governing board. The situation is more complex in states where powers are more dispersed. Experts have concluded that the players, culture and incentives are more important than structure in determining board effectiveness. However, the kind of consolidated governing structure that exists in Wisconsin makes it easier for the board to be effective.

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Enrollment Planning 2001-2007

Introducing the presentations, Regent President Orr noted that it will be necessary to coordinate enrollment management with planning for the 2001-03 biennial budget request.

Thanking Regent Alexander for a letter he had written on the subject of time to degree, Regent President Orr said policies would be reviewed to

see if goals were accomplished. The topic would be placed in a future agenda.

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UW-La Crosse: 2001-07 Enrollment Plan

Provost Douglas Hastad introduced the presentation by noting that the 1990s were challenging years, marked by fiscal give backs and enrollment management plans to preserve quality. During these difficult times, UW-La Crosse decided to look inward and embark on a journey of excellence.

The result was the plan called *Forward Together*. Led by Chancellor Judith Kuipers, UW-La Crosse had accomplished its goal of attaining excellence. These accomplishments included accreditation for more

programs, more extramural funds, more partnerships, and a very talented freshman class.

Chancellor Kuipers expressed appreciation to the Board of Regents for all it has done for UW-La Crosse. She also thanked President Lyall and her staff for their support and counsel. She remarked that UW-La Crosse's enrollment plan focuses on "quality sizing" for the next decade.

The next part of the presentation consisted of a video on defining, enhancing and investing in excellence. To a student, defining excellence might mean exceeding expectations. For a faculty member, engaging students to learn with passion. To a business owner, working with the university to produce excellent employees. The vision is one of outstanding academic programs to make future citizens the best they can be. Provost Hastad noted that the title, *Forward Together*, means UW-La Crosse will have more success if all work cooperatively with each other and with partners outside the university. Assistant Chancellor Ronald Lostetter added that the plan sets goals toward which resources can be directed.

The next segment of the video concerned enhancing excellence. In that regard, it was noted that UW-La Crosse freshmen have the highest ACT scores of any UW comprehensive university. Chancellor Kuipers pointed out that it is the university's responsibility to develop that talent through outstanding professional and general education programs, and outstanding faculty. A student interviewed for the video commented that students are taught by faculty, not teaching assistants, and that students are encouraged to participate in class. Faculty help and motivate students one to one. It was noted that, to become globally connected, it is critical to make the campus diverse in terms of students, faculty and outlook – a place where diverse voices are supported and respected.

The video then turned to investing in excellence, which related to quality-sizing – that is, determining the numbers of students that can be educated in the highest quality way. A smaller student body will allow the university to maximize its resources, and better students will attract higher quality faculty as well. Partnerships are also important, one of the most beneficial being the Health Sciences Consortium.

After the video, Chancellor Kuipers spoke more specifically of UW-La Crosse's enrollment plan.

- 1) The plan calls for a modest enrollment reduction of 50 students per year over six years. The purpose is quality-sizing, to enhance the educational experience and strengthen retention.
- 2) The plan calls for expanded partnerships
- 3) The plan calls for enhanced service to adult students.

The amount of support per student will be increased by:

- 1) Reallocating resources to achieve smaller classes and better advising;
and
- 2) Responding to the adult market, with adult students paying full costs.

These strategies will provide for continued high levels of access to the university, along with an increase in quality. The Chancellor concluded by asking the Board to continue to invest in UW-La Crosse.

In response to a question by Regent Alexander as to UW-La Crosse's efforts to expand diversity, Chancellor Kuipers indicated that the university's plan will free resources that can be redirected to 2008 goals, by bringing more K-12 students to campus, by multicultural activities, and other efforts to recruit and retain a diverse student body and faculty.

Regent Mohs asked that if the proposed reduction in enrollment would result in the university becoming more selective in acceptance of applicants. Replying in the affirmative, Provost Hastad added that the plan is to bring in more qualified students, but also to provide access to non-traditional adult students.

In reply to a question by Regent Brandes, Provost Hastad said that UW-La Crosse accepts 50% of applicants. Of those, about 50% enroll. Chancellor Kuipers added that, from a perspective of access, 92% of applicants are accepted somewhere in the UW System.

Asked by Regent Boyle what the highest priorities would be for use of any new monies, Chancellor Kuipers itemized computer availability and use enhancements, more global programming and more internships as being top priorities for serving students. For serving the region, the university would work to bring in more businesses, particularly in medical fields. To enhance diversity, there would be expanded recruitment and retention programs.

Regent Alexander asked if cutting back on numbers of students would have a negative impact on the effort to recruit students of color. The Chancellor indicated that it would not have that effect, noting that UW-La Crosse is committed to Plan 2008 and will watch carefully so that decisions do not have any unintended consequences.

Regent DeSimone asked about scholarships for students of color. Chancellor Kuipers noted that the UW-La Crosse Foundation funds \$455,000 in scholarships, some of which is targeted for students of color.

Regent Olivieri expressed concern about the intention to reduce the number of students served. Since higher education is becoming

increasingly important as society moves into the future, he felt the challenge should be to maintain and enhance quality while serving more students.

Provost Hastad noted that expanded service to non-traditional students may mean that more students will be served overall. Chancellor Kuipers added that only two UW institutions had plans to reduce enrollment. At a minimum, 100 new adult students would be served initially at UW-La Crosse and possibly more, depending on the market. Regent Olivieri suggested that adult market estimates be reflected in institutional enrollment figures.

Regent President Orr added that the adult market is growing and that, with continuing appropriation authority, all UW institutions are making plans to serve that market.

President Lyall explained that, when all institutional plans are totaled, the overall number of students served will increase. With regard to traditional student enrollment, she noted that UW-La Crosse has been over target and now is preparing to reduce those numbers somewhat.

Regent Smith commended UW-La Crosse on having devised measurable estimates of quality, including increases in retention, services to adults, regional partnerships, academic support, advising, global education, access to faculty, and diversity. He considered it critical to set down measurable goals toward which progress can be made.

Regent Gracz asked if reduction of 50 students per year is enough to make quality improvements and serve more non-traditional students.

Assistant Chancellor Lostetter replied non-traditional students will pay at a rate higher than cost. In addition, the student mix will be slightly modified to bring in more out-of-state students, who also pay higher-than-cost tuition. The change is gradual and amounts to about \$2.4 million.

Regent Barry commended UW-La Crosse's plan, noting that, if retention is improved, the university can admit fewer students and graduate more. He saw this plan as an important component of a system-wide quality upgrade that increases the pool of first-choice institutions, and in which each institution develops a niche.

Regent President Orr suggested that it would be helpful to have separate binders made for enrollment management and budget presentation materials.

UW-Oshkosh: 2001-07 Enrollment Plan

Chancellor Kerrigan presented the UW-Oshkosh plan, which focuses on: 1) International education; 2) economic development; and 3) adult education.

In carrying out its mission, UW-Oshkosh responds to its region, which includes about 500,000 people in seven counties. It also has a secondary market, which covers eastern Wisconsin.

The plan is to hold enrollment fairly constant, with 9,150-9,250 (8,600 FTE) undergraduate students, and about 1,600 (600 FTE) graduate students. Partnerships will be enhanced with communities, employers and the educational system.

In the area of international education, the Chancellor remarked that it is important to educate both students and faculty. The Vander Putten International Fund sends 15 faculty abroad per year. For students, there were 143 participants in study tours in 1999-2000; and over 30 students per year work with Western European businesses. There are nine affiliation agreements with universities in other countries, along with many other linkages.

Also of major importance in international education is UW-Oshkosh's award winning Model United Nations program, which includes 40-50 students per year. There also is an excellent Model OAS program which serves another 40-50 students.

In the area of economic development, programs include:

- 1) The Center for Economic Education, founded in 1975 to teach economics in K-12 schools. The Center has 500 teacher contacts per year. There is funding of \$3.5 million per year from the Department of Education, along with \$1 million in private monies to teach K-12 students and professionals abroad.

- 2) The Center for Community Partnerships – a one-stop shop for educational programs, internships, and technical expertise. Faculty work with students to contract with businesses and provide what they need.
- 3) Wisconsin Family Business Forum, which consists of 21 members who meet several times a year. The Forum includes 20% of business faculty.
- 4) The Chancellor serves on the Community Development Planning Commission.

In the area of adult access, UW-Oshkosh plans to expand in the following areas:

- 1) The CAPP Program, which provides advanced placement courses to over 1,100 high school students per year.
- 2) Pre-college programs, which serve 130-160 students per year and draw students from the Milwaukee area, as well as from locations closer to the university.

- 3) The Weekend Degree, established in 1979, now serving 400 students per semester. For example, a demanding program in Organizational Administration is offered in cooperation with the UW Colleges.
- 4) Learning in Retirement program, which includes 30 courses and 275 students.
- 5) MBA program, started in 1970 and offered in cooperation with UW-Stevens Point and UW-Green Bay.
- 6) Internet MBA program
- 7) Evening master's degree programs in information systems and English
- 8) The RN Degree Completion program, expanded to include 5 campuses.
- 9) The Kimberly Clark partnership, under which UW-Oshkosh offers classes to company employees. 574 students have taken 24 courses, which are offered on site and over the Internet.
- 10) Continuing Education programs that served 13,000 students in 1998-99, including professional development, youth programs, etc.

In response to a question by Regent Smith about pricing distance education programs, Chancellor Kerrigan indicated that corporations are asked to make a contribution for up-front costs, which then are recovered in tuition rates.

Stating that he would like 40% of students to have international experience,

Regent Smith asked if UW-Oshkosh collaborated with other campuses on overseas relationships. Chancellor Kerrigan replied in the affirmative, adding that such experiences are needed by both students and faculty.

Submitted by

Judith A. Temby, Secretary