

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, December 7, 2001

9:00 a.m.

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Held in room 1820 Van Hise Hall

Friday, December 7, 2001

9:00 a.m.

- President Smith presiding -

PRESENT: Regents Axtell, Barry, Boyle, Brandes, Burmaster, Gottschalk, Gracz,
Jones, Klauser, Krutsch, Marcovich, Mohs, Olivieri, Randall, Schneiders
and Smith

ABSENT: Regent DeSimone

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APPROVAL OF THE MINUTES

The minutes of the November 8 and 9, 2001 meetings of the Board stood approved as distributed

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REPORT OF THE PRESIDENT OF THE BOARD

Report of the November 28 meeting of the Wisconsin Technical College System Board

A written report of the November 28th meeting was provided. Regent Barry, Chair of the WTCS Board, noted that the search is well under way for an Executive Director to succeed Ed Chin, who is retiring. It is expected that a new Director will be on board early in the coming year.

Regent President Smith noted that a joint WTCS/UW Working Group had been charged to review and clarify, as necessary, the existing missions of both systems and encourage credit transfer within and between the systems. The goal is promotion of educational opportunity for Wisconsin students in the UW and WTC systems and to further enhance student success in both systems.

The Working Group has proceeded under the assumption that the two systems should remain separate and distinct, with separate and non-duplicative missions, and that the systems should interface smoothly to give students access to the widest possible array of programs at the most efficient cost. At the same time, there is a commitment to facilitating the ability of students to progress through post-secondary options in accordance with their academic and career needs and the needs of the State of Wisconsin. At the core of these missions is the necessity for all educational programs to maintain the highest quality and standards of accreditation and performance.

The initial meeting of the Working Group provided opportunity for an informal exchange of ideas. Based on that discussion, a statement is being prepared that will form the basis for discussion and adoption at a meeting in February if it is completed at that time. The intent is for both the UW and WTCS Boards to adopt the statement early in 2002.

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Report on the December 5th Meeting of the Hospital Authority Board

A written report on the December 5th meeting of the Hospital Authority Board was provided to the Regents.

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Overview: Wisconsin Economic Summit II

Regent President Smith reported that the Wisconsin Economic Summit II, held in Milwaukee the preceding week, was a very successful gathering of leaders from business, government and education statewide. More than 900 people attended, slightly exceeding last year's attendance. The second summit built on last year's success by focusing on the theme: "Wisconsin's Economy at the Crossroads: Building Higher Paying Jobs for the Future."

Regent Smith then narrated a power-point presentation of some of the Summit's highlights. Keynote speaker Daniel Burrus advised Wisconsin leaders to think in terms of "both/and" instead of "either/or" when it comes to technology, education and businesses. For example, the state needs both high-tech and low-tech industries. Mr. Burrus' theme was "make rapid change your best friend". The next frame showed Summit Co-Chair and President Katharine Lyall, who gave an excellent presentation on the many actions taken since last year's summit, including all the work UW institutions are doing to foster economic development.

Dr. David J. Ward, of NorthStar Economics and UW Learning Innovations, offered a sobering analysis of Wisconsin's economic trends, especially its below-average per-capita income. He sees the situation as correctable, if action is taken now. James Keyes, CEO of Johnson Controls, summarized the recommendations of the Greater Milwaukee Committee's Economic Development Task Force. Citing this effort as an excellent example of education working together with the business community, Regent Smith commended Chancellor Zimpher for pulling together the team that did this work. The seven key areas of the report are:

- 1) The "Chicago Connection" for Madison, Milwaukee and Chicago;
- 2) Regional solutions, not local ones, to economic development issues;
- 3) Wisconsin and the New Economy, focusing on biotechnology, stem cell research, BioStar and TechStar, and a connection to GE Medical Systems;
- 4) Wisconsin Industry Clusters as a model for economic development;
- 5) Brain Gain (inducing educated people to stay and attracting young professionals to the state's commercial center);
- 6) Vibrant Downtown Milwaukee as a strategy for attracting young professionals to the state's commercial center;
- 7) Public/Private Partnership – a reminder of the need to enlist a wider circle of players in the process.

The report, President Smith observed, dovetailed nicely with the main thrust of the Summit, but with an emphasis on the state's largest urban center.

He expressed appreciation to Chancellor Zimpher and the other chancellors and Regents who participated in the Summit and whose presence made a strong and positive impression.

The capstone of the first day, Regent Smith pointed out, was an address by Governor Scott McCallum, who outlined his "Build Wisconsin" initiative and reviewed the work of his administration since taking office. He also discussed "Wisconsin Jobs for Wisconsin Grads" – a new UW program to create an internet job site where Wisconsin companies can advertise, at no cost, openings for UW students and alumni. The Governor concluded by saying, "There is no more important responsibility for me as governor than to oversee the development and implementation of the 'Build Wisconsin' strategic vision. The time for study has ended. The time for action has arrived."

The Summit was attended by 10 state legislators and staff. Tuesday's session began with Lieutenant Governor Margaret Farrow who followed up on Governor McCallum's speech by stating that "it will take each one of us to move the economy forward" in Wisconsin.

A federal funding panel featured Congressman Mark Green, of Green Bay, and Tom Barrett, of Milwaukee. Both endorsed efforts to increase the level of federal funding in Wisconsin and indicated that the delegation is becoming more aggressive in seeking funding for the state.

Next came 16 concurrent sessions on a variety of topics. All were well attended and well run. The lunch speaker, George Franco, Chair of the Council on the New Economy, unveiled his new Avante public affairs television program, "Leaders in the New Wisconsin Economy". After lunch, the moderators of the concurrent sessions came together to provide an overview of the best ideas that had been presented.

Regent Smith expressed appreciation for the hard work of summit moderator, Tom Still, of the Wisconsin State Journal. He performed the same role in the last summit and again made a very significant contribution to the event.

The final panel featured Wisconsin's legislative leaders: Assembly Speaker Scott Jensen, Senate Majority Leader Chuck Chvala, Senate Minority Leader Mary Panzer, and Assembly Minority Leader Spencer Black.

During the Summit wrap-up session, President Lyall identified work to which the UW will commit during the coming year, including:

- 1) Regional economic development: UW institutions will continue to encourage and support their regional and community partnerships.
- 2) Brain drain: The UW will respond to the Governor by creating a statewide jobs network – Wisconsin Jobs for Wisconsin Grads – to market job opportunities in Wisconsin to UW students and alumni. The UW also will develop programs to bring home alumni and their children who want to learn and settle in Wisconsin.
- 3) Federal dollars: The UW will strengthen efforts to bring federal money to Wisconsin by working with the state and the federal delegation to create a federal center for science or technology in Wisconsin. The UW also will collaborate with the state and private sectors to obtain Wisconsin's fair share of funding and jobs.
- 4) Faculty and alumni involvement: University expertise will be made more available to assist state economic development by creating a cadre of Wisconsin Idea Fellows – faculty and staff who will be given release time to work on important state priorities. The UW also will create a national corporate advisory board to assist in growing Wisconsin's economy and recruiting new businesses.

In closing, Regent President Smith reported on successful attainment of five objectives identified for the Summit:

- 1) A report on progress since the first Summit had been made.

- 2) Specific measurable benchmarks were identified:
 - a) Per capita income: To meet or exceed the national average by 2007. This means growing higher income jobs, which also would help to relieve the state's tax burden.
 - b) Federal dollars: Bring one billion more federal dollars to Wisconsin over the coming two years.
 - c) Venture capital availability: The Wisconsin Technology Council has a goal of doubling the current figure of \$170 million over the next two years.
 - d) Percentage of the adult population with a college degree: To meet and exceed the national average.
 - e) Personal income taxes: Decrease the personal income tax by nine percent in six years and take the state out of the ranks of the top ten.
- 3) Existing partnerships have been broadened and strengthened and more people are involved in these efforts. To keep moving ahead, still more collaboration is needed.
- 4) Specific commitments have been made by the university, business and government on actions they will take to help Wisconsin's economy grow. More involvement from the business community is needed – more venture capital, higher paying jobs, and more research and development money invested in Wisconsin. Further, the next state budget should be constructed so as to serve as a planning document for economic success.
- 5) Next steps were identified that will assist in organizing the great quantity of information that has been presented and in coordinating the many activities taking place across the state:
 - a) Regent President Smith and President Lyall will convene a team to develop a comprehensive planning document, taking the best ideas from the Summit and seeking input from the public and private sectors. This group will collect data and make it available across the state.
 - b) A Wisconsin Council on Competitiveness has been proposed as an umbrella organization that would:
 1. Help coordinate statewide economic growth efforts;
 2. Serve as a clearinghouse for information for all the groups across the state;
 3. Host a competitive intelligence network;
 4. Convene meetings that span regions and interest groups;
 5. Monitor benchmarks in terms of progress being made;

6. Monitor what other states are doing and whether Wisconsin is competitive;
7. Focus on issues such as cluster economies, workforce development, state budget priorities, and brain gain; and
8. Organize and conduct future statewide economic summits.

The purpose, Regent Smith emphasized, is to create a whole that is greater than the sum of its parts and keep momentum rolling forward.

In closing, he thanked the Summit sponsor – the Wisconsin Bankers Association – and especially the lead contributors: M&I, Firststar, Bank One, Associated Bank, and Johnson Bank. Their support did much to make the Summit a tremendous success.

Regent President Smith also congratulated and thanked Vice President Linda Weimer, Laurie Dies and Susan Trebach for their hard work and successful efforts in putting on the Economic Summit.

Regent Axtell commented that he was delighted to learn that Regent Smith planned to continue involvement in this work from the private sector after his retirement from the Board next year. He felt that Regent Smith is the natural person to continue leading this effort, along with President Lyall, and expected that the Board would support them in every way.

Expressing appreciation for Regent Axtell's words, Regent President Smith reported that legislators and others had stated support for the type of umbrella organization that had been described. It will need ongoing efforts by government, business and education, and funding from all three sectors as well, he pointed out.

President Lyall expressed her appreciation for Regent President Smith's leadership, adding that everyone at this year's Summit understood the economic challenges facing the state and were ready to address what can be done about them.

Regent Smith emphasized that the Summit was successful because of the UW System and the efforts of UW institutions around the state and regionally. The UW System, he noted, is a powerful network that went to work on these matters and accomplished great things.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Pearl Harbor Day

Noting that December 7th is Pearl Harbor Day, President Lyall recalled that World War II ended with establishment of the GI Bill, which had a profound effect on higher education by causing a huge explosion of educational opportunities for veterans and motivating many others to go to college. This period, she remarked, is remembered as the

“Golden Era of Teaching”, despite shortages of supplies, housing and classrooms, because the students themselves were so highly motivated to learn.

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Current Year (2001-02) Budget Cuts

Noting that the Governor's concern about falling revenue estimates had led to a hiring freeze last month, President Lyall reported that this week he ordered additional budget cuts for all state agencies. There might also be a budget adjustment bill early in 2002. These financial deficiencies may cause significant changes in budget priorities, she pointed out, adding that the UW can expect to be affected by these changes and to be part of the constructive solutions to the state's economic recovery.

President Lyall stated appreciation for the governor's protection of university instructional and research functions and his willingness to give the UW flexibility to manage its cuts as a lump sum amount. A hiring freeze in the middle of a school year, she pointed out would be very disruptive and could have a devastating effect on small departments while leaving others untouched. This uneven impact would translate to negative impacts on students, who would find some programs cut unexpectedly. To manage these impacts, she explained, the Governor agreed to allow the UW to lapse a total lump sum of \$6.5 million. This flexibility will enable the university to keep its commitment to the Economic Stimulus Package by hiring the faculty and staff necessary to serve the additional 1,800 students who will enroll in high-demand majors next fall.

Nonetheless, she pointed out that the budget cuts will not be painless and will have measurable impacts on students and programs. Recalling that the 2001-03 biennial budget included a \$6 million base cut to UW institutions, she pointed out that it also will be necessary to reallocate \$16 million for faculty and staff pay plans and \$40 million to sustain instructional technology and administrative data systems, along with other unfunded costs of operation. Actions that UW institutions will need to take include:

- 1) Delaying hires to fill a number of non-instructional vacancies, thus slowing service in some administrative areas;
- 2) Freezing current replacement cycles for desktop computers for faculty;
- 3) Eliminating funding reserved for smaller spring class sizes for freshmen and sophomores at some institutions;
- 4) Reducing professional development funding that helps faculty and staff remain current in their fields; and
- 5) Reducing some of the planned intersession courses between the fall and spring semesters.

Therefore, the President continued, students, employees and clients will be asked to be patient with the effects of these necessary cuts, while the UW will manage them as best it can.

As emphasized in Summit II discussions, President Lyall observed, it is necessary to keep in mind the longer-term economic prospects for Wisconsin and continue to make the kinds of investments in people and ideas that can drive the state's economy forward. The UW will continue to be part of the solution by producing graduates in high-demand fields, by increasing spin-offs from research operations and extending regional business partnerships in every way possible. In that regard, she pointed out that Wisconsin needs the UW more than ever and the University cannot prosper unless the state prospers, resulting in a mutually beneficial partnership for the long term.

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2003-05 Budget Development

Turning to the 2003-05 budget process, President Lyall referred to a binder that had been supplied to the Regents to organize the budget materials they will receive in the coming months.

Calling attention to a list of possible budget initiatives, she indicated that presentations and discussion of those themes are planned for the period February through April 2002. She asked that the Regents provide advice on formulating themes in a way that best meets the state's needs.

Expecting the economy to be on an upswing by spring, she advised that the budget request be considered an investment plan to assure educational quality and continued fueling of Wisconsin's long-term economic vitality.

Initiatives were grouped into two major themes: 1) Economic Development and Quality of Life; and 2) Preparing Students for the 21st Century Workplace and Civic Engagement. These themes, she pointed out, focus on the Regents' priorities of Economic Development and Educational Quality.

The first theme expands institutional and regional initiatives for economic development arising from the Summit and also helps the state address shortages of teachers, nurses and other health care professionals. The Board also may wish to add a retention initiative and additional degree completion programs with the WTC System. Also included would be a preventive maintenance initiative and a financial aid request.

After presentations on these themes in February through April, the Board will be asked in May to vote on which initiatives to include in the biennial budget request.

Regent Barry, President of the WTCS Board, noted that enrollments in the WTC System are increasing greatly due to weakness in the economy, but that requests for general aid increases are unlikely to be supported in the Legislature. He expected the WTC System to focus on areas of high demand and on partnerships with industries to fill documented workforce needs. He observed that partnerships with educational institutions in areas such as health care might also be beneficial and looked upon with favor.

Agreeing with Regent Barry's suggestion, President Lyall noted that partnerships for degree completion and collaborative degree programs also will help to resolve transfer issues.

Regent Barry added that initiatives might enjoy more success in a difficult budget if they incorporate the technical expertise and resources of the business sectors involved.

Regent Krutsch pointed out that replacement of faculty who retire or otherwise leave the UW provides an opportunity to shape programs according to Board priorities, such as increased retention and economic development. This allows the UW to be more responsive by using existing funds.

She expressed agreement with Regent Barry's suggestion for expanded program collaboration in high demand areas, noting that, in a field such as nursing, the UW could provide liberal arts courses and the Technical Colleges and health care institutions could provide technical training.

President Lyall concurred, noting that improved retention and graduation rates also contribute to the economic development goal of increasing the skilled workforce.

Regent Olivieri observed that the matter of improving retention is a broad issue. In addition to advising, it encompasses other areas, including faculty development as one important component. A retention initiative, he suggested, should include as many of those factors as feasible.

With regard to economic development strategy, he commented that it is important, not only to forge external partnerships, but also to work within the system to tie available resources, such as economic development grants, to overall economic strategy. Sabbatical awards also could be used to spur economic growth efforts.

Concurring with Regent President Smith's emphasis on the importance of benchmarks in economic strategy, he noted that the Board has not discussed whether the personal income tax should be the portion of the tax burden that is of greatest concern. In response, Regent Smith noted that the benchmarks came from the Economic Summit, in which the UW was only one of the partners. This benchmark, he indicated, received strong emphasis in the business community.

Regent Krutsch agreed with Regent Olivieri's point about using all available tools to work in coherent fashion toward the Board's goals. In that regard, she thought more use should be made of incentives and disincentives to induce changes in behavior at the department level that will strengthen focus on Board priorities.

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Good News

UW-Stout Receives First University Baldrige Award

President Lyall congratulated Chancellor Sorensen and UW-Stout for becoming the first university ever to win the national Baldrige Award. Commending the university for this extraordinary achievement, she noted that the UW System as a whole strives to operate in a business-like fashion, tracks and reports outcomes in annual accountability reports, and successfully minimizes overhead. UW-Stout's success is a model for universities across the country.

Expressing appreciation, Chancellor Sorensen pointed out that the award was attributable to the successful efforts of the entire campus community working together over a long period of time.

The following resolution was presented by Regent Boyle and adopted by acclamation with a standing ovation.

UW-Stout Named the First Higher Education Recipient of The Malcolm Baldrige National Quality Award

- Resolution 8478: WHEREAS, all UW System institutions strive to provide the highest possible level of educational quality and service, to the greatest number of students, at the lowest cost, and have achieved a national reputation for competitiveness and efficiency at all levels; and
- WHEREAS, UW-Stout, with its unique mission and heritage, is fiercely committed to good stewardship of resources, responsiveness to the needs of its stakeholders, and the application of knowledge; and
- WHEREAS, Congress established the Malcolm Baldrige National Quality Award in 1987 to promote quality awareness and honor organizations that enhance American competitiveness, with 46 organizations receiving this prestigious award to date; and
- WHEREAS, applicants must undergo a rigorous examination process that ranges from 300 to 1,000 hours of outside review, while finalists are visited by teams of examiners to clarify questions and verify information, resulting in a "comprehensive business health audit" that cites strengths and opportunities for improvement; and

WHEREAS, on December 5, 2001, President George W. Bush and U.S. Commerce Secretary Don Evans announced that UW-Stout was the first college or university in the nation to be named a recipient of this award, which is considered America's highest honor for performance excellence and quality achievement;

THEREFORE, BE IT RESOLVED, that the Board of Regents of the University of Wisconsin System congratulates and commends UW-Stout and Chancellor Charles Sorensen for this singular, national achievement, which has brought recognition and honor, not only to this one institution, but to the whole of the UW System.

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UW-Milwaukee Receives \$2 Million Federal Water Supply Safety Grant

President Lyall congratulated UW-Milwaukee's WATER Institute on being included in the federal defense spending bill for a \$2 million federal grant to develop rapid ways to detect biological pathogens in the nation's water supply. The Institute also will develop an emergency preparedness plan for responding to any attack on the water supply. Milwaukee area members of the Wisconsin Congressional Delegation have been instrumental in moving the appropriation forward. Bringing in new federal dollars, she pointed out, is one means to grow Wisconsin's economy.

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UW-Eau Claire Faculty get Prestigious Recognition Awards

President Lyall reported that two faculty in UW-Eau Claire's distinguished Department of Chemistry have been awarded prestigious national teaching awards: Dr. Scott Hartsel has won the 2001 Carnegie Foundation Teacher of the Year Award, having been selected from among 384 faculty members nominated across the country. He is the third UW-Eau Claire faculty member to be honored as a Professor of the Year by Carnegie.

Dr. Jason Halfen is one of five professors nationally to be named a Henry Dreyfus Teacher-Scholar by the Henry Dreyfus Foundation of New York City. This award carries a \$60,000 honorarium and recognizes excellence in teaching, mentoring, and research with undergraduate students.

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Olien receives Swede Johnson Award

Senior Vice President David Olien was congratulated by President Lyall on receipt of the 2001 Marvin “Swede” Johnson Award. Established in 1981 by the American Association of Community Colleges, the American Association of State Colleges and Universities, CASE, and the Land Grant Universities Association, the Johnson Award is the only national award that recognizes higher education state relations officers for their dedication to advancing the needs of colleges and universities.

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Resolution of Appreciation: Ed Chin

President Lyall expressed appreciation to Dr. Ed Chin, State Director of the Wisconsin Technical College System, for his long and distinguished service to higher education. Dr. Chin was to retire at the end of the year. President Lyall noted especially his partnership in the creation of the PK-16 Council and his leadership in continuing efforts to improve transfer opportunities between the UW and WTC Systems.

The following resolution, offered by Regent Barry, was adopted by acclamation.

Resolution of Appreciation: Ed Chin

Resolution 8479: Whereas, Ed Chin has served the people of Wisconsin and the Wisconsin Technical College System well and faithfully for 26 years, seven of them as State Director of the System, and

Whereas, during his tenure as State Director, more than two million Wisconsin citizens have benefited from the education and training opportunities offered by the Technical Colleges, and

Whereas, he joined with the President of the UW System, the state Superintendent of Public Instruction, and the President of the Wisconsin Independent Colleges and Universities to create a statewide PK-16 Council to enhance collaboration among Wisconsin’s educational sectors, and

Whereas, Wisconsin’s economic future depends upon a well-educated workforce provided by all these sectors, and

Whereas, under his leadership, student transfer opportunities have increased significantly through the growth of collaborative and joint degree programs with UW institutions, the expansion of more than 350 articulation agreements, and the development of new system-to-system articulation agreements, and

Whereas, his personal integrity and professionalism have set the highest standard for educational leadership,

Now, therefore: The UW System Board of Regents thanks Ed Chin for his long and distinguished service to Wisconsin and for his professional collaboration with the UW System and wishes him a long and enjoyable retirement.

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REPORT OF THE EDUCATION COMMITTEE

The report of the Education Committee was presented by Regent Boyle, Chair.

Student Retention and Scholarship of Teaching and Learning

There is a strong relationship between student retention and scholarship of teaching and learning, noted Regent Boyle. Achieving retention relates directly to the extent of the engagement of the student and a wide variety of learning efforts and opportunities. The concept of the classroom isn't just a room with four walls and a door, but rather relates to all the experiences a student encounters on campus - the engagement of the student, the types of experiences that lead to increased performance, and a strong desire to continue one's education, all of which will eventually improve retention rates.

Regent Boyle emphasized that retention depends on the positive experiences a student encounters in his/her first year of college education. A student who is involved in a variety of different activities as well as classroom opportunities will view college as a very important part of his/her life.

As these topics are a priority for the Board, Regent Boyle expressed the hope that all our institutions will do everything possible to engage students in effective measures to increase retention rates.

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Report of the Senior Vice President for Academic Affairs

Sabbatical Awards

Cora Marrett, Senior Vice President for Academic Affairs, reported on 2002-2003 Sabbatical Awards. This year 243 awards will be granted for one semester or a full academic year. There is no new state funding for these awards.

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High School Graduation Test

Due to misunderstanding among potential students, parents, administrators and the general public about the 2000 decision on graduation tests in terms of college admissions, Regent Boyle introduced the following revised resolution.

Defer Implementation of Regent Resolution 8267: Revisions to the UW System Undergraduate Admissions Policy

Resolution 8480: That upon the recommendation of the President of the University of Wisconsin System, the Board of Regents defers implementation of Regent Resolution 8267 (December 8, 2000) revising UW System Undergraduate Admissions Policy, pending 1) the development and evaluation of the High School Graduation Test as a useful diagnostic tool aiding admissions decisions and predicting college success, and 2) the resolution of questions relating to equitable treatment of all applicants to UW System schools. The Education Committee and the full Board of Regents will take further action upon resolution of these issues.

Regent Boyle moved adoption of the resolution for approval by the Board of Regents. It was seconded by Regent Mohs and carried. The motion was opposed by Regent Olivieri.

In discussion, Regent Gracz inquired whether there would be a definite date for implementation of the resolution. In response, Regent Boyle stated that it would depend on when the test becomes available.

Regent Burmaster pointed out that the Governor is committed to the development and the implementation of the high school graduation test. Although funding is not available at this time, she stated, the Department of Public Instruction is moving forward based on the Governor's commitment to that funding.

Regent Klauser expressed the need for a periodic update on the status of the matter. Regent Brandes felt that the Education Committee's view was that a graduation test not be used as a requirement for admission into our universities. In response, Regent President Smith replied that there are differing opinions, but until the test is devised and evaluated, a firm position cannot be made.

Regent Mohs pointed out that the Legislature is very interested in graduation tests. He advised that the Board should be proactive in keeping in contact with interested legislators as the matter evolves.

Stating that he voted against the resolution, Regent Olivieri said his position is no reflection on the test's intended use, but that it is not designed for college admission. Regent Schnieders pointed out that the test was proposed to bring accountability to our public schools. But until a number of issues are resolved, action on this matter would be premature. She stated that she approves the resolution and added that it is important to revisit this issue in the future.

Regent Boyle reiterated that the resolution states that the Board will take action when the test is developed and administrative rules are initiated, and then consider whether to use it in admissions. Regent Klauser asked that the minutes indicate that there will be an update on this issue in a year. Regent Krutsch observed that ongoing dialogue on this matter is important as a signal that the Board supports accountability in K-12 education.

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PK-16 Council Progress Report

Regent Boyle noted that the PK-16 Council is moving forward. President Lyall and Regent Burmaster are co-chairs of the council. A written report on the council's progress and its agenda for the future will be available in January.

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Annual Program Planning and Review Report

Assistant Vice President Ron Singer reviewed the annual program planning and review report and the process used in approving new additions to the university's curriculum. UW System institutions have over 1100 programs, and this represents a decline in recent years in terms of the number of programs offered by our institutions. VP Singer will provide an update on the trends in terms of the disciplines that are being added to the curriculum and how they might relate to Board initiatives.

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New Program Authorizations - Initial Reviews

Initial reviews of two program authorizations were reviewed by the Committee. One program is a Ph.D. in Second Language Acquisition at UW-Madison; the second a Ph.D. in History at UW-Milwaukee. Discussion focused on need, utilization of resources, availability of resources for the program, and how it relates to the mission of the institution and the community. A final decision will be made at the February meeting.

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Unanimously approved by the Committee were Resolutions 8481-8483. Regent Boyle moved their adoption as consent agenda items by the Board of Regents. They were seconded by Regent Brandes and the carried unanimously.

UW-Milwaukee: Charter School Contract: The YMCA Youth Leadership Academy, Inc.

Resolution 8481: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the board approves the Charter School contract with the YMCA Youth Leadership Academy, Inc.

UW-Milwaukee: Rename the School of Allied Health Professions

Resolution 8482: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the name of the University of Wisconsin-Milwaukee School of Allied Health Professions be changed to the College of Health Sciences.

UW-Stevens Point: Authorization to Recruit: Provost and Vice Chancellor for Academic Affairs

Resolution 8483: That, upon recommendation of the Chancellor of the University of Wisconsin-Stevens Point and the President of the University of Wisconsin System, the Chancellor be authorized to recruit for a Provost and Vice Chancellor, at a salary within a 2001-02 range of \$113,384 to \$137,917, or as may be adjusted for 2002-03 according to Regent Policy, and that the salary of the new hire shall be set by the President of the University of Wisconsin System.

REPORT OF THE PHYSICAL PLANNING AND FUNDING COMMITTEE

Regent Gracz, Chair, presented the report of the Physical Planning and Funding Committee.

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Report of the Assistant Vice President

Building Commission Actions

Assistant Vice President Nancy Ives reported that the Building Commission approved about \$16.2 million for various projects at their November meeting.

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Discussion of 2003-05 Capital Project Ranking Criteria

The committee discussed criteria for ranking major building projects. The Board of Regents establishes criteria to be used by System administration staff in ranking proposed GPR major projects that would require specific enumeration in the upcoming Capital Budget. Use of these criteria will result in a priority list that addresses the most urgent needs, highest academic priorities and most cost-effective solutions to various facility problems.

The Committee unanimously approved Resolutions 8484-8490. Regent Gracz moved their adoption as consent agenda items by the Board of Regents. Regent Schneiders seconded the motion and it carried unanimously.

UW-Madison: Approval of the Design Report and Authority to Demolish the ROTC Building, and Construct the Biotechnology Building Addition Project

Resolution 8484: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, (1) the Design Report be approved; (2) authority be granted to demolish the ROTC building at 1402 University Avenue; and (3) authority be granted to construct the Biotechnology Building Addition project, at an estimated total project cost of \$27,000,000 (\$18,000,000 General Fund Supported Borrowing - BioStar, and \$9,000,000 Gifts and Grants).

UW-Madison: Approval of the Design Report and Authority to Increase the Project Scope and Budget and Construct a Chamberlin Hall Renovation Project

Resolution 8485: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, (1) the Design Report be approved; (2) authority be granted to increase the scope of work and project budget by an estimated \$255,000; and (3) authority be granted to construct the Chamberlin Hall Renovation project, at a revised estimated total cost of \$21,050,000 (\$20,895,000 GFSB and \$155,000 Gift Funds).

UW-Madison: Approval of the Design Report and Authority to Construct a Marshfield Integrated Dairy-Phase I Project

Resolution 8486: 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 be granted to construct the Marshfield Integrated Dairy-Phase I project, at an estimated total project cost of \$1,800,000 (\$900,000 General Fund Supported Borrowing and \$900,000 Gifts/Grants).

UW-Madison: Authority to Construct a Medical Science Center Cardiology Lab Remodeling Project

Resolution 8487: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Medical Science Center Cardiology Lab Remodeling project at an estimated total project cost of \$633,500, using Gift Funds (Medical School).

UW-River Falls: Approval of the Design Report and Authority to Increase the Project Budget and Construct a Residence Hall Project

Resolution 8488: That, upon the recommendation of the UW-River Falls Chancellor and the President of the University of Wisconsin System, (1) the Design Report be approved; (2) authority be granted to increase the budget by \$888,900 of Program Revenue-Cash; and (3) authority be granted to construct a new Residence Hall project, at a revised estimated total project cost of \$9,853,900 (\$8,965,000 Program Revenue Supported Borrowing and \$888,900 Program Revenue-Cash).

UW-Superior: Authority to Improve Parking Lots

Resolution 8489: That, upon the recommendation of the UW-Superior Chancellor and the President of the University of Wisconsin System, authority be granted to redevelop two existing parking lots and construct an additional at an estimated total cost of \$733,000 (\$233,000 Program Revenue Supported Borrowing and \$500,000 Program Revenue Cash).

UW System: Authority to Construct Classroom Renovation/Instructional Technology Improvement Projects and Expand the Program Capability

Resolution 8490: That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to (1) construct various Classroom Renovation/Instructional Technology Improvement projects for the University of Wisconsin System at an estimated total cost of \$10,000,000, using 2001-03 General Fund Supported Borrowing; and (2) expand the capability of this program by utilizing supplemental funding that will be identified by the various Institutions.

In discussion, Regent Barry expressed appreciation to Chancellor Erlanbach, UW-Superior, for his creative master plan which includes ample parking and a new landscape design with a central mall that will bring that campus more visually together.

Regent Krutsch questioned how building projects are coordinated with system priorities and institutional strengths. President Lyall responded by stating that the capital budget decisions are coordinated with the academic program decisions to reinforce one another.

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REPORT OF THE BUSINESS AND FINANCE COMMITTEE

The Business and Finance Committee report was presented by Regent Gottschalk, Chair.

Building Our Resource Base - Tuition Revenue Options

Regent Gottschalk reported on the committee's discussion on Building our Resource Base with an emphasis on Tuition Options Overview. The five areas discussed include:

- Progressive Tuition coupled with Progressive Aid
- Cohort Tuition
- Self-supporting Tuition for Professional and other miscellaneous programs
- Per Credit Tuition
- Nonresident Discount for Children of Alumni

Regent Gottschalk noted that the committee expressed little interest in progressive tuition linked to progressive aid and that there is no guarantee of state aid increases. With regard to Cohort Tuition and the Nonresident Alumni/Legacy tuition discount, the committee suggested that campuses develop plans, if they wish, and bring them back to the committee and the Board for further review. Regent Gottschalk noted that the Board looks forward to measuring the results of UW-Stout's pilot program on per-credit tuition.

In discussion, Regent Axtell encouraged diversification and testing by the individual campuses to develop their own tailored plans, noting that an emphasis on the non-traditional student would provide additional revenue. Regent Axtell called attention to a new law giving companies a tax break for tuition.

Regent Jones expressed appreciation that student leaders from several campuses attended the Board meeting. He felt that the chancellors should decide what is important for their individual campuses rather than having a system driven policy or plan.

Regent Krutsch noted that there are three principles to consider: 1) differentiation and creativity on the part of individual chancellors; 2) sensitivity to Board goals (i.e. timely graduation, retention, affordability, reducing student debt); and 3) the ultimate responsibility as a Board and System to be aware of real costs and the stewardship of resources.

Regent Olivieri expressed concern about the legacy program in high-demand campuses, stating that he would be against a situation where a campus substitutes out-of-state students at a discounted rate for in-state students. Regent Jones commented that the chancellors have a good sense of what works on their campuses.

Regent Schneiders suggested that the Board look at all the advantages and disadvantages of each of these systems. She felt that giving students of out-of-state alumni preference over in-state alumni could cause a potential problem.

Chancellor Mash commented on the complexity of the options available and felt they need more consideration and more discussion. He stated that the Board's willingness to be opened minded and allow each chancellor to continue to pursue the option most acceptable to their individual campus was very much appreciated.

Regent Gottschalk noted that the intent is not to displace Wisconsin students and encouraged the chancellors to think creatively.

Regent Gottschalk moved adoption of Resolutions 8491-8495 as consent agenda items by the Board of Regents. The motion was seconded by Regent Klauser and it carried unanimously.

UW-Stout "Per Credit Tuition" For Tuition, Differential Tuition, Segregated Fees, Textbook Rental, and Laptop Computer Per Credit User Fee

Resolution 8491: That, upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Stout, the Board of Regents authorizes the UW-Stout to convert to a per credit tuition system for undergraduate and graduate students for tuition, the existing "Access to Learning" differential tuition, segregated fees, textbook rental, and for a new laptop computer per credit user fee. This action would be phased in, beginning with new freshmen, fall 2002. It would continue to be phased in for new freshmen for a period of four years. Current UW-Stout students would have six years to complete their education under the current plateau tuition and fees system, at which time, the plateau system would be eliminated. Graduate students and other populations (special, transfer, etc.) would be incorporated as reasonable within the four-year implementation period.

UW-Whitewater: Undergraduate Differential Tuition

Resolution 8492: That, upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Whitewater, the Board of Regents approves the differential tuition for undergraduate students at UW-Whitewater beginning in the 2002-03 academic year.

2000-01 UW System Report on Continuing Appropriation Authority

Resolution 8493: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the 2000-01 Continuing Appropriation Report for submission to the Legislature.

Report on Using the Continuing Appropriation to Serve Adult Students

Resolution 8494: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents accepts the report on Cost Recovery Activity, Credit Enrollment and Unduplicated Student Headcount by Program and Age, 2000-01 Academic Year for 2001-02 UW System submission to the Joint Committee on Finance.

Report on State Imposed Costs Added to Resident Undergraduate Tuition

Resolution 8495: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the 2001-02 Report on State Imposed Costs Added to Resident Undergraduate Tuition for submission to the Secretary of the Department of Administration.

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Blue Cross/Blue Shield

Dean Philip Farrell of the UW Medical School updated the committee on the Blue Cross/Blue Shield gift. He noted that the UW Medical School is working cooperatively with the Medical College of Wisconsin. A nine member committee will be selected, eight of whom will be appointed by the Board. Interviews for the committee will be

conducted in January and February, and Dean Farrell will provide another update in March or April.

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Report of the Vice President

Vice President Durcan distributed a Memo of Understanding between the UW System and the Department of Administration regarding the creation and flexibility around GPR positions. She reported on four responses to a request for proposals for a new banking contract between the System and four responding banks.

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ADDITIONAL RESOLUTIONS

Upon motion by Regent Randall, seconded by Regent Axtell, Resolution 8496 was unanimously adopted by the Board.

Cancellation of January 2002 meetings

Resolution 8496: That the Board of Regents meetings scheduled for January 10 and 11, 2002, be cancelled.

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CLOSED SESSION

The meeting was recessed at 11:10 a.m. and reconvened at 11:40 a.m., at which time the following resolution, moved by Regent Randall and seconded by Regent Klauser, was adopted on a unanimous roll-call vote, with Regents Axtell, Brandes, Burmaster, Gottschalk, Gracz, Jones, Klauser, Krutsch, Marcovich, Mohs, Olivieri, Randall, Schneiders, and Smith (14) voting in the affirmative. There were no dissenting votes and no abstentions.

Resolution 8497: That, the Board of Regents recess into Closed Session, to consider Honorary Degree Nominations at UW-Milwaukee, as permitted by s.19.85(1)(f), *Wis. Stats.*, to consider a real estate negotiation as permitted by s.19.85(1)(e), and to confer with Legal Counsel, as permitted by s.19.85(1)(g), *Wis. Stats.*

The Board arose from closed session at 12:20 p.m., at which time the meeting was adjourned.

Judith A. Temby