

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

EXECUTIVE COMMITTEE

**Minutes of the Meeting**

July 30, 2001

9:00 a.m.

Held by telephone conference

Executive Committee Participants: Regent President Smith, Regent Vice President Randall, Regent Boyle, Regent Gottschalk, Regent Gracz, and Regent Mohs

Executive Committee members not participating: None

The purpose of the meeting was to revise the 2001-02 annual budget to reflect final legislative action.

Associate Vice President Sell reported that final legislative action provided full second year funding for the Madison Plan, the Milwaukee Idea, and the Workforce Development initiatives of the Comprehensive Universities, UW Colleges, and Extension Small Business Development Centers. The revised first year GPR/fee funding is \$19.7 million lower than the budget enacted by the Board of July 12, primarily because the final legislative budget appropriated additional funding for the Economic Stimulus Package beginning in the second year of the biennium, and because of a 20% reduction to new funding for fuel and utilities.

This biennial budget provides 65% in the first year and 70% in the second year of the Regents' requested funding increase. The Legislature also appropriated 519.4 GPR full-time-equivalent positions. The budget includes a mandatory 2.5% additional increase in nonresident undergraduate tuition to fund a \$2 million base cut. The budget also provides key flexibilities for effective management of resources: GPR and PR position flexibility from increased enrollment or 100% self-funded courses, and flexibility to set salaries for senior executives.

The budget contains a \$6.34 million GPR base cut, including a cut of \$503,000 from System Administration/Systemwide.

Regent Mohs commended legislators, alumni and the Badger Action Network for their strong support of the UW in this budget. Regent President Smith indicated that letters of appreciation would be sent in the near future.

Regent President Smith noted that he and President Lyall will meet with the Governor later in the week to discuss possible vetoes. In response to a question by Regent Boyle, Dr. Sell indicated that the cut for System Administration probably would not be written in a manner that would permit a veto.

Regent Gottschalk noted that, without additional monies, the cut to System Administration and the fuel and utility shortfalls must be funded through reallocation. Dr. Sell added that last year's \$1.2 million fuel and utility shortfall was funded from fringe benefit savings. The State has been asked to identify funds for this year's shortfall also.

Regent Mohs asked if the increased non-resident tuition would price some students out of the UW. Dr. Sell replied that, while students are committed for the coming fall, there is concern about what will happen in the future, particularly since the UW's nonresident tuition already is high compared to peers. Regent Mohs remarked that the value of nonresident students needs to be more clearly communicated. Regent Smith added that Medical and Veterinary School tuitions were not increased at the same rate as others because they already are very high in comparison to peer institutions. On the other hand, Dr. Sell added, the UW is on the low end in comparison of undergraduate resident tuition.

Regent Boyle observed that, historically, raising nonresident tuition has not resulted in decreased interest on the part of out-of-state students. Regent Gracz added that voters are concerned primarily about access for in-state students. Dr. Sell pointed out that nonresident students are important to the state's "brain gain" strategy in that an appreciable number stay in Wisconsin after graduation. Nonresident tuition also helps to stabilize resident tuition.

In response to a question by Regent Gottschalk about the budget cut to UW-Madison athletics, Dr. Sell replied that the GPR reduction is replaced by a mandatory increase in program revenues. This reflects the view that state support should not be used for intercollegiate athletics.

Upon motion by Regent Gottschalk and properly seconded, the following resolution was adopted unanimously.

**2001-2002 Operating Budget including Rates for Academic Tuition, Academic Tuition Refund Policy and Schedule, Segregated Fees, Textbook Rental, Room and Board, and Apartments**

Resolution 8414: That, upon the recommendation of the President of the University of Wisconsin System, the amended 2001-02 operating budget be approved, including the tuition refund policy and schedule and rates for academic tuition, segregated fees, textbook rental, room and board, and apartments as reflected in the document 2001-02 Operating Budget and Fee Schedules, July, 2001. The 2001-02 amounts are:

GPR	\$1,071,937,464	32.28%
<u>Academic Tuition</u>	<u>566,749,294</u>	<u>17.07%</u>
TOTAL GPR/FEES	1,638,686,758	49.35%
<u>Other</u>	<u>1,681,716,202</u>	<u>50.65%</u>
Total	\$3,320,402,960	100.00%

That the Executive Committee of the Board of Regents:

1. amends the 2001-02 tuition schedules to increase all nonresident undergraduate tuition by an additional 2.5%, bringing the total increase in nonresident undergraduate tuition rates from 10.4% to 12.9% at UW-Madison and UW-Milwaukee, and from 9% to 11.5% at the Comprehensives and Colleges (Tables B-1 Revised through B-4 Revised), and accordingly amends the nonresident undergraduate tuition rates for summer session;
2. directs the President of the University of Wisconsin System to amend final UW System 2001-02 annual operating budget allocations, deallocations and total funding levels to correspond to the final legislative budget and any veto action on the UW System budget by the Governor.

The meeting was adjourned at 9:25 a.m., upon motion by Regent Gracz, seconded by Regent Boyle.

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Judith Temby, Secretary

