

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, November 9, 2001
9:00 a.m.

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Friday, November 9, 2001

9:00 a.m.

- President Smith presiding -

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

ABSENT: Regents Brandes and Gracz

APPROVAL OF THE MINUTES

There being no additions or corrections, the minutes of the October 4 and 5, 2001 meetings stood approved as distributed.

REPORT OF THE PRESIDENT OF THE BOARD

Report on the October 19th meeting of the Higher Educational Aids Board

A written report on the October 19th meeting of the Higher Educational Aids Board was provided to the Regents.

Regent Randall, the Board's representative to the Higher Educational Aids Board, noted that much of the meeting was devoted to discussing the new state policy regarding refunding tuition for those who leave the university prior to completion of a term. The purpose was to have all campus refund policies square with both state and federal refund policies.

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Report on the November 7th meeting of the Hospital Authority Board

A written report on the November 7th meeting of the Hospital Authority Board was provided to the Regents. Regent representatives to the Hospital Board are Regents Boyle, Gottschalk and Mohs.

Regent Mohs noted that a long negotiation with the nurses union had been successfully concluded.

Regent DeSimone commented that, as a former chief hospital administrator himself, he could refer people to the UW Hospital with confidence that it is one of the best in the country.

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Report on Governmental Matters

A written report on governmental matters was provided to the Regents.

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Additional items that the President of the System may report or present to the Board

Wisconsin Economic Summit II

Regent President Smith reported that final plans were being made for the second Wisconsin Economic Summit, to be held on November 26th and 27th, at the Midwest Express Center in Milwaukee. The Summit is sponsored by the UW System and the

Board of Regents, in cooperation with business and government leaders throughout the state.

The economic challenges facing the state and nation today, he commented, make this Summit even more important than the first one and make it imperative that all players are present and participating as the group attempts to chart Wisconsin's economic future.

Regent Smith expressed appreciation for the support received from members of the Wisconsin Bankers Association. Twenty-nine member banks, along with the Widget Source, had contributed more than \$50,000 to help underwrite the Summit. The Milwaukee Journal was making an in-kind contribution as well.

The theme of the year's Summit is "Wisconsin's Economy at the Crossroads: Building Higher Paying Jobs for the Future". The intent is to develop an action plan to position the state for an economic resurgence.

Governor Scott McCallum plans to address the Summit on Monday evening, and a panel of state legislative leaders will take place on Tuesday. Other informative sessions on a variety of topics are planned for Monday afternoon and all day Tuesday, including a federal government perspective on boosting Wisconsin's economy, a presentation on the importance of industry clusters, and overview of other states' economic development strategies, and a review of progress made since the first Summit. Registrants also can attend free pre-Summit workshops on Monday morning.

The keynote speaker is Daniel Burrus, one of the world's leading science and technology forecasters and authors. Mr. Burrus is a graduate of UW-Oshkosh and a 2001 recipient of its Distinguished Alumnus Award.

With more than 400 people already registered for the Summit, registrations were running ahead of last year's event, which was attended by 900 people.

Noting that participation by the business community is of key importance, Regent Smith thanked James Haney, of Wisconsin Manufacturers and Commerce, for sending a letter to all the state's top CEOs to request their attendance at the Summit.

He also thanked Laurie Dies, of University Relations, for doing outstanding work in coordinating the Summit activities.

Regent Axtell thanked Regent President Smith and President Lyall for their hard work and creativity in putting together the Economic Summit, the Economic Development Budget and the Economic Stimulus package. A standing ovation was given to Presidents Lyall and Smith.

Regent Axtell then read Resolution 8463 and moved its adoption by the Board of Regents. The motion was seconded by Regent Randall and carried unanimously.

Wisconsin Economic Summit II

Resolution 8463: WHEREAS, the first Wisconsin Economic Summit was a tremendous success on every level, involving 900 attendees over three days and hundreds more through regional meetings and website access, and was instrumental in raising a host of key issues for statewide awareness and discussion; and

WHEREAS, the first summit engaged the Governor and the Legislature, as well as business leaders and the entire University of Wisconsin System, in joint action toward common goals in economic development, a dynamic partnership that was built upon during the subsequent, highly successful biennial budget process; and

WHEREAS, during 2001, the economy of Wisconsin, the Midwest and the whole country has been challenged by a downturn in the normal business cycle, as well as the need to respond to unprovoked terrorism; and

WHEREAS, a year ago, a pledge was made to hold a second summit that would build on the foundation of the first, reporting on progress, fostering a statewide network, and offering a plan of action for future resurgence; and

WHEREAS, the University of Wisconsin System remains committed to providing leadership and service to Wisconsin in the area of economic development -- for all sectors and in all regions of the state;

THEREFORE, BE IT RESOLVED, that the Board of Regents of the University of Wisconsin System encourages all institutions and all interested citizens to participate fully in Wisconsin Economic Summit II, to be held November 26-27, 2001 at the Midwest Express Center in Milwaukee, and to utilize the outcomes of the summit to foster Wisconsin's future prosperity and economic growth.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Welcome Chancellor Shepard

President Lyall welcomed the new UW-Green Bay Chancellor Bruce Shepard, to his first Regent meeting. He had taken office on November 1st.

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Extension Administrative Leadership Program (EALP)

Also welcomed by President Lyall were the 28 members of the Extension Administrative Leadership Program, which provides training to extension faculty and faculty with extension appointments in other UW institutions and in the 72 Wisconsin counties. The program was founded by Regent Boyle when he was Chancellor of UW-Extension.

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Fall 2001 Enrollments

Reporting on fall 2001 enrollments, President Lyall recalled that the Board had established enrollment management targets through 2006 in EM 21 discussions last year. These targets were designed to encourage UW institutions to meet economic development needs of the state for more graduates in high-demand fields while at the same time maintaining a reasonable balance in support per student in order to ensure educational quality.

This fall, enrollments increased 1.8% over the preceding year to 133,703 FTE students. Nearly all institutions participated in this increase, with the most growth occurring at the UW Colleges and UW-Milwaukee. UW-Parkside, UW-Oshkosh and UW-Platteville moved from being slightly below their targets last year to being at or slightly above their targets this year. System-wide, she pointed out, the fall enrollments bring the UW close to achieving the total planned enrollment level under EM-21 for the next five years.

The President explained that this enrollment growth reflects both the slowing economy and the growing value gap between the cost of a UW education and the cost of attending a private institution. There also is growing recognition that the lifetime return on an investment in higher education is very substantial and rising. In addition, UW institutions have targeted high-demand fields as part of the Economic Stimulus Package and have recruited for an additional 2,500 students in these fields.

In conclusion, she pointed out that the UW is stretching to meet the state's needs with these enrollments and is stretching to meet the needs of students and citizens who want and need the university's services.

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UW Colleges Mission

Introducing UW Colleges Chancellor Bill Messner, President Lyall noted that the UW Colleges' enrollments are among the fastest growing in the System, reflecting a renewed commitment to serving the smaller communities of the state and an aggressive commitment to using distance technology to extend course offerings from four-year institutions to students at the Colleges. These changes, she explained, have caused some questions about the traditional mission of the Colleges, how they should interface with the state's Technical Colleges and whether they are becoming four-year institutions. Therefore, she had asked Chancellor Messner to discuss these issues from his perspective.

She also noted that Regent President Smith and Regent Barry, President of the Technical College System Board, had appointed a joint working group to review the missions of both institutions and clarify them, if necessary, as a basis for further collaboration.

Chancellor Messner introduced UW Colleges Vice Chancellor Margaret Cleek, Wava Haney, a faculty member at UW-Richland and Chair of the Faculty Senate, UW-Waukesha Dean Brad Stewart, UW-Fox Valley Dean Jim Perry, and UW-Baraboo Dean Aural Umhoefer.

Beginning his remarks, Chancellor Messner commented that the title of the presentation, "Differentiation and Collaboration", is at the heart of the matters to be discussed. The mission of the UW Colleges, he noted, is to serve as the liberal arts transfer institution of the UW System, with a curriculum offering a general education associate degree. This curriculum prepares students with the knowledge and proficiencies needed for the baccalaureate and professional programs at the four-year UW institutions. This narrow mission, he stated, provides the best start to an array of students for their college education.

The UW Colleges has historically focused on collaboration in terms of working with the four-year institutions to facilitate transfer. In the mid 1990s, the Board of Regents directed through the 21st Century Study that collaborative linking efforts be taken one step further by fashioning opportunities for baccalaureate degrees to be offered by four-year institutions on UW College campuses, primarily for adult students who would have difficulty traveling to a four-year campus.

Over the past five years, 11 collaborative degree programs have been developed on 11 UW College campuses with six four-year institutions. Two graduate programs are being offered at UW Colleges as well. This fall, the Colleges had an eight percent enrollment increase, including a 20% increase in adult (over age 22) enrollments, increasing the number of adult students from 3,300 to 4,000. Adults now comprise one-third of all UW College students. The economic development contribution of the Colleges is to provide a pipeline for access to four-year programs at UW institutions. In addition to the considerable success thus far in collaborative efforts, the Chancellor said, discussions are under way with four four-year institutions about further programming.

He noted that this success has caused the question to be raised in a couple of counties, including Waukesha, as to whether the Colleges are in fact becoming four-year institutions that should be supported by the state, rather than by the counties.

Stating that the answer to that question is "no", he explained that the Colleges are becoming sites at which four-year institutions deliver UW programming for place-bound students. In most areas of the state, he pointed out, that service is appreciated and highly endorsed by the local communities.

He suggested that the Board of Regents reaffirm that collaboration is an outgrowth of the UW Colleges' mission and that the Colleges are not expanding their role but are being responsive to the needs of the people of Wisconsin.

Turning to relationships with the Technical College System, Chancellor Messner noted that the Technical Colleges offer career education programs and transfer specified courses from associate degree programs to the UW as part of general education and program-to-program articulation agreements.

In the late 1960s and early 1970s, he recalled, a major public policy question was whether Wisconsin should follow the national trend to develop community college systems. Determining not to follow that model, Wisconsin decided on two differentiated systems – the UW System and the Technical College System. A primary factor in that decision was the belief that technical education would be given short shrift in a community college system. Business and labor interests, in particular, advocated strongly for a separate system for technical education.

Over the past decade, Chancellor Messner commented that there has been a blurring of the distinctions that differentiate the two systems. Transfer to UW institutions is not at the heart of the Technical College System mission, he remarked, although there always has been recognition of some transfer need, with Madison, Milwaukee and Nicolet Technical Colleges given authority to offer college parallel programming. It was also recognized, he added, that there would be some Technical College graduates who would want to transfer to the UW System, but that number would be small.

The Chancellor pointed out that, over the past five years, there has been a 115% increase in the number of non-college parallel students transferring from the Technical Colleges to the UW. Whereas in 1996 non-college parallel transfers were a distinct minority, by 2000 they were the majority of transfers. It was a 1995 action of the Board of Regents that was central to producing this increase, he explained. In that year, the

Board determined that a student did not need to be a technical college graduate to transfer 15 general education credits to the UW System. Before that, graduation was a condition of credit transfer. The largest group, more than one-quarter, of non-college parallel transfers are students with undeclared majors, which means that they were not in a particular technical program and that they did not graduate. The second largest number were business majors, with others in health and engineering programs.

One problem with this situation, Chancellor Messner said, is that it creates confusion about what institutions offer what kind of education. As an example he referred to a newspaper article about an array of articulation agreements between the local Technical College and private liberal arts four-year institutions, which encourage students to use non-college-parallel programs at the Technical College to access four-year liberal arts programming. He also cited the example of referring to a Technical College mechanical engineering technology program as a pre-engineering program, which is a program offered by the UW Colleges. The result of this confusion and duplication, the Chancellor commented, is legislative intervention, as seen in the budget provision that would have required that all general education credits earned at a Technical College transfer to the UW.

As to whether the expanded transfer opportunities are beneficial to students, he pointed out that less than four out of ten non-college parallel transfers graduate or are still enrolled after five years, while college-parallel transfers succeed at a rate of two out of three and UW College transfers succeed at a rate of 75-80%.

To find a solution, Chancellor Messner said, the differentiated missions need to be clarified. In that regard, he pointed to the Technical College emphasis on career education and whether that should mean pre-law, pre-medicine or pre-engineering. It also involves the role of general education in the Technical College System. While the role of general education is to support students in technical programs, there are significant numbers of students who take general education courses apart from technical programs and use them as a way of transferring to the UW System. He suggested that further expansion of general education transfer credits for non-college-parallel students be avoided, since this allows students to take increased numbers of general education courses at the Technical Colleges and not use those institutions for their intended purpose.

Stating that differentiation is not sufficient, the Chancellor said more needs to be done in the way of collaboration, such as sharing resources and developing collaborative programs to meet student needs in ways that do not promote confusion and duplication. As an example of effective collaboration, he cited UW-Barron County and Wisconsin Indianhead Technical College as institutions that differentiate effectively while sharing libraries, cafeterias, campus centers and master planning for facilities, along with exploring ways to develop joint academic programs. The first joint academic program, he noted, was a micro-computer specialist program offered jointly by UW-Richland and Southwest Wisconsin Technical College. This is not an articulated program in which one institution offers a set of courses and then the other institution offers another set. Rather, it is a coherent program in which the two institutions jointly offer course work leading to a Technical College degree, with the computer programming done by the Technical

College and the UW College offering the general education program. He suggested that this model could be replicated at other institutions.

In conclusion, Chancellor Messner said the current situation is untenable and that both UW Colleges and the WTCS System need to work on differentiation. The alternative, he felt, would be to revisit the 30-year-old decision to keep the two systems distinct.

In discussion following the presentation, Regent Klauser observed that the Chancellor spoke about two different topics that should not be confused. He inquired about collaboration with the four-year institutions, and Vice Chancellor Cleek explained that students begin at the Colleges by taking two years of general education. After that, they become students of the four-year institution offering their degree program, but remain on the UW College campus, taking courses offered by the four-year institution through compressed video, on-line, in person or by other means of delivery.

Referring to the history of the two Systems, Regent Klauser pointed out that name changes over the years may have contributed to confusion and cited the example of changing the name of the Vocational, Technical and Adult Education Institutions to the Technical Colleges. In general, he felt both Systems were working quite well and commented that the only important confusion is that which might exist in a student's mind.

What is important, he stated, is to provide more options to students without diminishing the quality of the degrees that are offered or misleading them in any way. Guidance counselors in the school systems could help students choose intelligently among the options available. With respect to political intervention in the process, he felt it might be helpful to speak with legislative leaders, since both parties are sincerely concerned about the quality of education. In addition, he indicated that he would agree with reaffirming the mission of the UW Colleges.

Chancellor Messner concurred, noting that effective collaboration can enhance student levels of success. He was concerned about preparation of non-college-parallel students and felt that better collaboration can enhance that preparation.

Regent Olivieri commended the UW Colleges for their success in increasing enrollments and furthering efforts to provide well-educated workers for the state's economy. Regarding collaboration with the four-year institutions, he favored more programs that allow students to attend school in the area where they live. He expressed understanding for the position stated by county representatives regarding use of county-financed facilities and thought that, ultimately, formulas might be developed to deal with that matter. Overall, however, he favored giving students as many options as possible to complete their degrees.

With respect to relationships between the Colleges and WTCS institutions, he favored blurring of the missions. For example, he did not find it confusing to call a program "pre-engineering" if in fact it can lead to completion of a four-year engineering degree. What he did find confusing and frustrating for students is the complicated

process for moving them from one system to the other. He said the goal should not be how to more clearly differentiate missions, but rather how to make the system more efficient and effective for students and how to make it easier for students to complete a four-year degree. Therefore, he did not agree with the Chancellor's recommendations regarding transfers from the Technical Colleges. Due to the importance of this topic, he asked for a paper to be prepared presenting all sides of the issues.

Commending Chancellor Messner for a well-balanced presentation, Regent Schneiders stated her belief that the missions of UW and WTCS systems are different and should remain that way. Concerning collaboration with the four-year institutions, she felt there should be as much access as possible for students and that providing access to four year programs on College campuses is beneficial if it can be done effectively and efficiently.

She thought it important to give further consideration to funding of the Colleges, recognizing that it is property taxpayers who pay for the buildings and that there is some concern about students from other counties using facilities to pursue four-year degrees.

Chancellor Messner noted that, while counties fund UW College facilities, the UW funds their programs.

Regent Mohs suggested that it would be helpful to have a paper prepared on the question of how technical and university education might ideally be structured if Wisconsin could start from scratch and what would be the most efficient way to deliver this education at different levels.

With regard to effectiveness and efficiency, Regent Axtell cited the Madison Connection program, which responded to an overabundance of well-qualified applicants to UW-Madison by forging agreements with four UW-Colleges to accept a certain number of those students, who then would be guaranteed an opportunity to transfer to the Madison campus at the beginning of the junior year.

Regent Krutsch commented that one could take the position that the most effective and efficient way to provide access and success for students in public post-secondary education is to have a highly differentiated system, since this could well be the way to make best use of limited resources to provide quality education. She also thought it would be unwise to in any way diminish the support of the counties, since those amounts would then need to be replaced by state dollars, that could not realistically be expected to be forthcoming.

She commended Chancellor Messner's presentation as a good start in discussing a topic that involves many issues, and she expressed the hope that there would be opportunity for both the Board of Regents and the WTCS Board to discuss in depth the issues that the joint committee will consider.

Regent Barry, who also serves as President of the WTCS Board, commented that there is considerable pressure towards blurring of missions and that he did not agree that such blurring is necessarily a good thing. He did not consider the present situation untenable; but felt at the same time that trends are worrisome.

In the last ten years, he explained, Technical College enrollments have been flat, but costs have gone up, and the curriculum is carrying an array of general education courses that should perhaps be reviewed. As to jobs of the future, he pointed to studies showing about 80% of them will require some post-secondary education, but only around 23% will require a four-year degree. Noting that there are many young people in the state that do not have the skills required to contribute to an improved economy, he remarked that, if the system were to be recreated from scratch, he would seek a differentiated Technical College System in partnership with business and labor to provide the skills that young people need.

Although the numbers of non-college-parallel transfers has increased to about 55% of transfers to the UW, Regent Barry pointed out that transfers from the UW to the Technical College are more numerous than transfers in the other direction. With 600,000 students, including about 45,000 FTE students, in the Technical College System, he did not consider a couple thousand transfers to be of great significance, although he did share concern about the trend.

He thought Chancellor Messner's emphasis on differentiation with collaboration is exactly correct, particularly in view of the fact that not every student should go to a four-year college. Noting that the average age of students in the Technical College System is 28, he pointed out that often these students had tried a four-year college, found it did not suit them, and perhaps tried service jobs before coming to the WTCS System.

Regent Barry suggested that an outcome of the working group deliberations should be an ongoing effort to clarify the systems' respective missions. In an ongoing effort to create more options and choices, his concern would be about loss of a technical mission and evolution into a higher cost system that would not provide adequately for the 80% of people who need a technical education, not a four-year degree.

Regent Klauser commented that different missions are important in meeting the needs of different types of students. He was concerned that loss of quality would result from too much blending of missions. Not long ago, he recalled, concern had been expressed about having too many campuses in the state. He had disagreed and supported the accessibility they provide to students, accessibility that now is enhanced even more by technology. As long as quality is maintained, he said, that level of access is very desirable.

He could understand concern by counties if future collaborations were to require building new structures to support the programming. On the other hand, he pointed out, high schools offer college level advanced placement courses, and there is no suggestion that the state fund high school building programs. He said that facilities for the Colleges are properly county responsibilities because they provide access to the people living in those areas.

Regent Klauser emphasized that the focus must remain on quality, not only for the top students, but for all students in all programs. If the system were to be created anew, he had no doubt that it would be different, but he did not think it would be better because the current system has benefited from a long evolution and learning process.

Noting that the Technical Colleges are required by statute to recoup only 14% of the cost of education, Regent Barry pointed out that it is less expensive for a student to take general education courses at a Technical College than at a UW institution. This is one reason that it is important to be cost sensitive at the university level.

Regent President Smith thanked Chancellor Messner for his presentation and noted that the Joint Working Group will be meeting later in the month.

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2003-05 Biennial Budget Process

President Lyall noted that by next August the Board is required by statute to submit operating and capital budget requests. Stating that consultation with Regents and system-wide planning processes inform the setting of operating budget priorities, she remarked that, among higher education systems, the UW is recognized for careful integration of enrollment management with state budget requests and tuition pricing and revenue incentives to maintain academic quality and support per student. The UW's goals also have been fitted to state needs for economic development. The capital budget priorities emanate from a detailed 6-year planning and priority setting process developed by the Board. The final budget, therefore, reflects an extensive set of consultations and consideration all focused on providing value to students.

Noting that other agencies and analysts also review the operating budget, compensation request, and capital budget, she commented that the UW is fortunate to have experienced staff who have long and productive working relationships with analysts in the executive and legislative branches. UW budget staff know what to expect and are vigilant about not missing any points in these complex processes.

After the Board approves operating budget priorities, Systematic review of major initiatives in those areas will take place from February through April, including input from students. In May, the Board will decide to move forward or defer budget items in each initiative area. Detailed budget materials will be prepared over the summer based on the choices made in May, and in August, the Board will act on its final 2003-05 budget request.

Referring to budget instructions given by the Board in the past, the President said it is assumed that the Board will continue to want strong outcomes identified for budget initiatives and will want the campuses to commit to reallocation and outside funding matches for high priority items. In addition, strong collaboration will be continued among UW institutions, with the WTCS System, the Department of Public Instruction, and other parts of state government where partnerships are appropriate.

In conclusion, President Lyall predicted that, as in the past biennium, the Board's insistence that the budget requests be an investment plan with clear payoffs and strong advocacy for the needs of the state will make this next budget a very successful one as well.

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UW-Whitewater Saves Energy

President Lyall congratulated UW-Whitewater for being ranked 4th among 180 universities in the nation by the Department of Energy for energy conservation efforts. Contributing to this fine effort is the university's 20-year contract with Cogentrix power plant that shares steam generation with local communities, hospitals and others. Also key to the university's success is employment of a full-time technician who ensures that technology for automatic lighting, heating and cooling of campus space is properly used and maintained.

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UW-Milwaukee/Marquette Exchange Program

The President congratulated UW-Milwaukee and Marquette University for developing a collaborative graduate student exchange program, enabling students from either institution to take courses from the other towards their graduate degree completion. This program, she noted, not only serves the convenience of students, but also will reduce program duplication between the two institutions and will enable both to provide greater program depth and variety for graduate students. A similar exchange program exists between UW-Milwaukee and the Medical College of Wisconsin.

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State Diversity Awards

President Lyall congratulated UW-Parkside, UW-Eau Claire and UW-Madison for being recipients of State of Wisconsin Diversity Awards for 2001. Lieutenant Governor Farrow presented the awards at a ceremony at the Pyle Center the preceding week. UW-Parkside received special recognition for its 22% increase in faculty and staff of color last year. These awards recognize progress in three areas: The number of racial and ethnic minorities employed at institutions; the retention of these employees; and the willingness to accommodate people with disabilities in the workplace.

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Senior Vice President Olien - Hall of Fame

The President congratulated Senior Vice President David Olien for receiving the Samuel Gove Law Hall of Fame Award of public service from the State of Illinois. The Hall of Fame is comprised of 32 Illinoisans who have distinguished themselves in public service. The group includes former Governor Jim Edgar, former members of the Illinois State Legislature and Congressional delegation. Before coming to the UW, Mr. Olien served on the Illinois Republican Legislative Caucus staff for six years and worked for another 13 years with Stanley Ikenberry when he was President of the University of Illinois.

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Ameritech Grant for Diversity

President Lyall expressed appreciation to the SBC-Ameritech Foundation for providing a \$375,000 grant to support pre-college programs at UW-Milwaukee, UW-Madison and the UW System. This is the second year that Ameritech has partnered with the UW to encourage students who will be leaders in society and business in the future. Last year, about 200 students participated in the pre-college experiences funded by these grants, and that number is expected to increase substantially over the next four years.

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REPORT OF THE PHYSICAL PLANNING AND FUNDING COMMITTEE

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

Joint session with Business and Finance Committee

The Physical Planning and Funding Committee and the Business and Finance Committee met jointly to discuss trends in gifts and grants and fundraising strategies as part of their focus on building the UW's resource base. UW-Madison Assistant Vice Chancellor Bruce Braun gave an update on the proposed cogeneration facility.

At the conclusion of the joint meeting, the Physical Planning and Funding Committee reconvened.

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Report of the Assistant Vice President

Building Commission Actions

It was reported by Assistant Vice President Nancy Ives that the Building Commission approved about \$16 million for various projects at their October meeting. She informed the Committee that no proposals were received in response to the UW-Fox Valley Residence Hall RFP for private development of housing. The lack of response stems from concerns regarding the limited size of the proposed facility. After reviewing its specifications, the campus may reissue the RFP.

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Discussion of Systemwide 2003-09 Physical Planning Issues

Jim Albers, UW System Facilities Planning Coordinator and Ron Singer, Associate Vice President for Academic Affairs explained the challenges of providing appropriate and functional space to support the evolution from using a "teaching" philosophy to a "learning" philosophy. More flexible space in classrooms and labs is needed to facilitate group discussion and student/faculty collaboration. In addition to significant maintenance needs, UW System campuses are also faced with a space shortage. This information was to serve as background for continuing discussions on funding and ranking criteria for the 2003-05 biennium.

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UW-Superior: Aquaculture Land Use Agreement

Regent Schneiders, Vice Chair, reported on a proposed land use agreement with the Red Cliff Band of Lake Superior Chippewa to provide a site, at no cost, for construction of the \$3 million Aquaculture Demonstration Facility.

Regent Schneiders moved adoption of the following resolution for approval by the Board of Regents. It was seconded by Regent De Simone.

UW-Superior: Authority to Enter into a Land Use Agreement

Resolution 8464: That, upon the recommendation of the UW-Superior Chancellor and the President of the University of Wisconsin System, authority be granted for the officers of the Board of Regents to enter into a land use agreement to permit the University to use forty (40) acres of land owned by the Red Cliff Band of Lake Superior Chippewa as the site for the construction of the Aquaculture Demonstration Facility. There is no cost to the university for use of the land.

Concern was expressed by Regent Barry that given the current fiscal situation, the project not move ahead until the availability of adequate operating funds for this facility is known. Regent Klauser expressed a similar concern with funding, stating that there should be some affirmation that operational dollars will be available. Regent Barry suggested delaying the decision for 3-4 months to better determine what the issues are for operational funding. Regent Marcovich noted that this project was initiated by former Governor Thompson as part of the Economic Stimulus Package for northern Wisconsin. UW-Superior has done an excellent job with this project. This resolution would only authorize the lease agreement.

UW-Superior Chancellor Erlenbach reiterated that this project was in response to a strong position over a number of years from representatives from Superior. As the search for an Executive Director for the facility is presently in process, Chancellor Erlenbach felt it would not be in their best interest to table the project at this time.

Regent President Smith stated that it is not the intention of the Board of Regents to fund this project from the University of Wisconsin System base budget, but to establish a land use agreement. The resolution was restated, adding that "It is the intent of the Board that operation of the facility not be funded from the UW System's base budget".

Regent Schneiders presented the revised Resolution 8464 for adoption by the Board of Regents. The motion was seconded by Regent Marcovich and carried unanimously.

UW-Superior: Authority to Enter into a Land Use Agreement (Revised)

Resolution 8464: That, upon the recommendation of the UW-Superior Chancellor and the President of the University of Wisconsin System, authority be granted for the officers of the Board of Regents to enter into a land use agreement to permit the University to use forty (40) acres of land owned by the Red Cliff Band of Lake Superior Chippewa as the site for the construction of the Aquaculture Demonstration Facility. There is no cost to the university for use of the land. It is the intent of the Board that operation of the facility not be funded from the UW System's base budget.

Unanimously approved by the Committee were Resolutions 8465-8467. Regent Schneiders moved their adoption as consent agenda items by the Board of Regents. Regent Barry seconded the motion and it carried unanimously.

UW-Madison: Authority to Increase the Budget for the Camp Randall Shell Addition Project

Resolution 8465: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget by \$432,000 for the combined Camp Randall Memorial Sports Center (Shell) Addition and the Hall of Fame Wall and Terrace Expansion, using \$150,000 Gift Funds and \$282,000 Program Revenue-Cash (Athletics), for a revised estimated total project cost of \$1,110,000 [\$781,000 Program Revenue-Cash (Athletics) and \$329,000 Gift Funds].

UW-Milwaukee: Approval of Design Report and Authority to Construct a Sandburg Residence Hall Fire Protection System Addition Project

Resolution 8466: That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the Sandburg Residence Hall Fire Protection System Addition project at an estimated total project cost of \$3,136,000 (\$80,000 Program Revenue – Cash and \$3,056,000 Program Revenue Supported Borrowing).

UW-Stout: Authority to Construct a Parking Lot Project

Resolution 8467: That, upon the recommendation of the UW-Stout Chancellor and the President of the University of Wisconsin System, authority be granted to construct a 100-stall parking lot on university owned land on the UW-Stout Campus for an estimated cost of \$208,810 of Program Revenue Supported Borrowing-Parking.

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REPORT OF THE BUSINESS AND FINANCE COMMITTEE

Regent Gottschalk, Chair, presented the report of the Business and Finance Committee.

Building Our Resource Base

Regent Gottschalk reported on the joint meeting with the Physical Planning and Funding Committee. Expanding on Regent Schneider's comments regarding the Fund Raising Strategy by Vice President Weimer, Regent Gottschalk stated that the goal is to increase the amount of private fund raising without causing impairment to existing campus fund raising efforts. The System was urged to move cautiously and concluded that a feasibility study was the next logical step.

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Technology Transfer Initiative: WiSys Update

Carl Gulbrandsen, Managing Director of the Wisconsin Alumni Research Foundation and Elizabeth Donley, General Counsel of WARF gave a presentation on technology of transfer initiatives (WiSys). WiSys was formed to assist in technology transfer for the non-Madison institutions, extending it Systemwide. There is collaboration with the Small Business Development Centers and an agreement with TechStar.

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Trust Funds

Regent Gottschalk moved adoption of Resolution 8468. Regent Klauser seconded the motion and it carried unanimously.

Investment Guidelines Related to Annual Meetings with Managers

Resolution 8468: That, upon recommendation of the Regent Business and Finance Committee, the practice of having each of the UW System Trust Funds' investment managers meet annually with the Committee, as provided for under Regent Policy 91-11, Investment Objectives and Guidelines, be delegated by the Business and Finance Committee to the Trust Officer and Assistant Trust Officers, with the proviso that the Trust Officer and Assistant Trust Officers regularly report to the

Committee on the content of such meetings as a regular part of their investment oversight responsibilities; and, accordingly, that the following revision to the Investment Objectives and Guidelines be approved.

Reports (page 10-11)

Annual investment meetings (more frequently, as warranted) will be held with the ~~Committee~~ **Trust Officer and Assistant Trust Officers, the findings and contents of which will be regularly reported to the Committee.**

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Report of the Vice President

Debbie Durcan, Vice President, reported approval of the transfer of 50% of the proceeds on a land sale at UW-Parkside, which amounted to \$5,000. The approval of Auxiliary Reserve Accumulations for Fiscal Year 2002 was discussed. The Board and System need to ensure the campuses are following reserve policies.

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Meeting with DOA on Memorandum of Understanding for Creating GPR Positions

VP Durcan noted that a Memorandum of Understanding for Creating GPR positions is expected to be signed in the near future. The Memorandum is required by statute before the institutions can begin to use this new flexibility.

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Public Forum on Trust Funds Investments

Peter DeSimone, from the Investor Responsibility Research Center, presented an overview of socially responsible investing and an outline of proxy issues. The committee heard from 8 speakers who asked the Board to be more active and follow guidelines on social responsibility beyond voting proxies.

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REPORT OF THE EDUCATION COMMITTEE

Regent Boyle, Chair, presented the report of the Education Committee.

Report of the Senior Vice President for Academic Affairs

Cora Marrett, Senior Vice President for Academic Affairs gave an outstanding presentation demonstrating how the various institutions in the System are responding to the Board of Regent priorities. She clearly demonstrated that the institutions are serious about focusing on priorities such as quality and partnerships. Senior VP Marrett gave an example of a collaborative partnership relationship between UW-Oshkosh and the Department of Public Instruction which resulted in a \$800,000 grant to the Department of Public Instruction to deal with licensing of teachers. Regent Boyle noted that it's an excellent example of the partnership arrangement that exists all over the System.

The Senior Vice President announced a conference in January involving all the institutions which will deal with the issue of retention and focusing on campus climate in an attempt to improve that situation.

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Federal Funding Strategy

Regent Boyle emphasized that the Federal Council is very concerned that we do not in any way disrupt UW-Madison's very professional and effective process for securing Federal Funds, but that we complement that with alternatives for other institutions recognizing that niches need to be established whereby institutions can match up with funds available from the Federal Government and other agencies. The UW System needs to develop a strategy that would compete fairly for earmarked federal funds while protecting existing funding sources.

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Learning Innovations Update

In order to be effective in terms of on-line education, Regent Boyle stated, a variety of different and highly specialized resources in various areas such as student services, marketing, and course preparation would be more effective if resources were congregated in a certain location with a certain partnership arrangement with the institutions. The focus of Learning Innovations is to enhance the basic function of the university in terms of providing quality alternatives to adult students as well as enhancing the opportunities that full time students have in terms of achieving success in their college

education. Regent Boyle requested the development of a financial plan for Learning Innovations to maintain fiscal responsibility.

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UW Systemwide Information Technology Plan

Regent Boyle expressed satisfaction with the increasing focus in terms of teaching and learning. He suggested that outcomes and new innovations be specified more precisely in regard to expectations in terms of achievement within a time frame and the budget associated with it.

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The Role of Testing/High School Graduation Tests

The role of the Board of Regents, Regent Boyle noted, is to determine, if a test is mandated or available, how it should be used and if it will be used in the admission process, rather than recommending whether or not a test should be available. The Committee, Regent Boyle continued, expressed a strong need to clarify the position of the Board of Regents relative to the high school graduation test.

Report on Pre-College Programs

Regent Boyle expressed the need to track students after they participate in a pre-college program and follow up beyond their participation. The Office of Multicultural Affairs will be working on two projects: One, to determine or develop tentative plans for a system of tracking students who participate in pre-college programs so there will be some follow-up which would advise the potential college student on where they are in terms of admission to the university; and secondly, to look at the whole variety of pre-college programs and to bring to the Board a general review of assessments that are going on in terms of the effectiveness of the programs.

Unanimously approved by the Committee were Resolutions 8469-8473. Regent Boyle moved their adoption as consent agenda items. Regent Mohs seconded the motion and it carried unanimously.

Report on Industrial and Economic Development Research Fund

Resolution 8469: That, upon recommendation of the President of the University of Wisconsin System, the report on projects undertaken in the UW System during fiscal years 1999-2000 and 2000-2001 and supported by the Industrial

and Economic Development Funds be received and approved for transmittal to the Joint Committee on Finance, in accordance with s.36.25(25)(c), Wis. Stats.

UW-Milwaukee: Reappointment of Wisconsin Distinguished Professor

Resolution 8470: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, Fatemeh Zahedi be reappointed a Wisconsin Distinguished Professor, for the period January 1, 2002 through December 31, 2006.

UW-Milwaukee: Appointment of Wisconsin Distinguished Professor

Resolution 8471: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, William Haseman be appointed a Wisconsin Distinguished Professor, for the period January 1, 2002 through December 31, 2006.

UW-Milwaukee: Appointment of Wisconsin Distinguished Professor

Resolution 8472: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, Hemant Jain be appointed a Wisconsin Distinguished Professor, for the period January 1, 2002 through December 31, 2006.

UW-Milwaukee: Appointment of Wisconsin Distinguished Professor

Resolution 8473: That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, Jay Lee be appointed a Wisconsin Distinguished Professor, for the period January 1, 2002 through December 31, 2006.

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ADDITIONAL RESOLUTIONS

Regent Boyle presented the following resolution and moved its adoption by the Board of Regents. The motion was seconded by Regent Axtell and carried unanimously.

WisconsinEye Public Affairs Network

Resolution 8474: WHEREAS, in this 30th anniversary year of the University of Wisconsin System as a merged system of public higher education, we are especially aware of the vision, hard work, and partnership-building that is required to establish a vital resource accessible and beneficial to citizens throughout Wisconsin; and

WHEREAS, we are greatly encouraged by the promise of WisconsinEye Public Affairs Network and its plans to utilize cable television and the Internet in the creation of important new linkages between state government and citizens everywhere, including the students, faculty, and staff of the UW System statewide; and

WHEREAS, WisconsinEye programming will be an important instructional and research tool that will enhance learning at every UW institution, with its comprehensive coverage of Wisconsin state government and important public policy discussions occurring around the state; and

WHEREAS, WisconsinEye also holds great value in extending the knowledge base of our campuses to the entire state; and

WHEREAS, this new C-SPAN-like network will not compete, but will complement the ongoing mission of public broadcasting in keeping the public educated and informed throughout our state;

THEREFORE, BE IT RESOLVED, that the Board of Regents of the University of Wisconsin System does hereby commend the mission and goals of the WisconsinEye Public Affairs Network, recognizing it as a much-needed information and education resource at this moment in our state's progress;

BE IT FURTHER RESOLVED, in the spirit of the Wisconsin Idea, the Board of Regents does hereby offer its encouragement and appreciation as WisconsinEye disseminates ideas throughout the state and the world.

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Confirmation of Regent Appointees

Regent Barry noted that four members of the Board had not yet been confirmed by the State Senate. Noting that these Regents are highly capable and talented people, he said legislators with whom he spoke indicated that they should face no difficulty in being confirmed. He urged that cordial discussions be initiated with colleagues at the Capitol to resolve this matter in a timely fashion.

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CLOSED SESSION

The meeting was recessed at 11:40 a.m. and reconvened at 11:55 a.m., at which time the following resolution, moved by Regent Randall, was adopted unanimously on a roll-call vote, with Regents Axtell, Boyle, Burmaster, Gottschalk, Jones, Klauser, Krutsch, Marcovich, Mohs, Olivieri, Randall, Schneiders, and Smith (13) voting in the affirmative. There were no negative votes and no abstentions.

Resolution 8475:	That, the Board of Regents recess into Closed Session, to consider an Honorary Degree nomination at UW-Madison, as permitted by s.19.85(1)(f), <i>Wis. Stats.</i> , to consider salary adjustments, as permitted by s.19.85(1)(c), <i>Wis. Stats.</i> , and to confer with Legal Counsel, as permitted by s.19.85(1)(g), <i>Wis. Stats.</i>
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The Board arose from closed session at 1:15 p.m., having adopted the following resolution:

UW-Madison: Authority to Pursue Annexation and Rezoning for Research Park Development

Resolution 8476:	That upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board clarifies and reaffirms that it is the Board's intent to pursue
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annexation and rezoning with the City of Madison of 113 acres of land owned by the Board of Regents in the Town of Middleton, adjacent to the West Madison Agricultural Research Station to enable development for Research Park purposes, and that the Office of General Counsel is authorized to pursue annexation and rezoning.

Judith A. Temby, Secretary

