

Minutes
Business and Finance Committee
Board of Regents of the University of Wisconsin System
April 4, 2002

The Business and Finance Committee met at 1:48 p.m. in room 1920 Van Hise. Present were Regents Gottschalk, Axtell, Jones, Klauser, and Krutsch.

a. Building Our Resource Base

Kathi Sell, Associate Vice President, UW System led a discussion of Building Our Resource Base: First Reading on Options. The Committee discussed the items listed below. Items in italics specify the recommendations in the original April "first reading" document. Items in regular typeface indicate changes made by the Business & Finance Committee. Five types of action were discussed including approaches that would:

1. take effect immediately;
 2. be a priority for further study and possible implementation after study;
 3. be tried first as a pilot with one or more institutions;
 4. be deferred for longer-range consideration; or,
 5. be eliminated.
- *Provide increased flexibility to transfer or loan funds from Auxiliary Operations.* Encourage campuses to use the flexibility the UW System has, and do this as an immediate action; delete any further study.
 - *Enhanced Fund Raising Strategy, Including Feasibility/Marketing Studies for Program Revenue Fund Raising.* Continue to move forward immediately, but separate into recommendations for Program Revenue and federal. Be more explicit about what is already being done in the federal fund-raising strategy, and what is being proposed for Program Revenue studies.
 - *Per credit tuition.* Add assessment of a modified plateau for tuition. Also add surcharge for excess credits (stepwise or at 100 percent of cost). The Committee agreed with the recommendations in the original April "first reading" document to evaluate existing pilots, and also to permit additional pilots under current Board of Regents review before considering whether to go to per credit on a system-wide basis.
 - *Cohort Tuition.* Eliminate for undergraduates. Permit Medical School or other professional/graduate programs to bring in a study and proposal for their programs, if they wish.
 - *High Tuition/High Aid.* Eliminate.
 - *Non-Resident Alumni Children's Legacy Tuition.* Keep the recommended action (further study and possibly pilot). Clarify that any non-resident alumni legacy enrollments would be above, not in replacement of, residents. Add an analysis of an appropriate basis for non-resident undergraduate tuition levels overall, to help the State understand the need for more reasonable non-resident tuition increases.

- *Move Toward More Self-Supporting Tuition for Adults and Professional Programs.* Add e-learning, and move forward immediately. Tuition should be based upon the program and services provided (adult education programs).
- *Modify the current tuition policy to recommend a long-term goal of 95% of the midpoint.* Clarify that this is a move from 100% to 95%, and this is a long-range goal.
- *Develop an agreement with the State on how to respond to budget cuts (reduce enrollments using our standard metric of faculty and staffing reductions per million dollars cut).* Eliminate. Preserve the flexibility to respond to each situation.
- *Expand the coverage for our needs within the State's "Standard Costs to Continue" category.* Be very clear about the emphasis on preventive maintenance. The Committee agreed with the recommendations in the original April "first reading" document to move forward immediately.
- *Link tuition and financial aid.* Provide a wider definition of the Board of Regents affordability concerns. The Committee agreed with the recommendations in the original April "first reading" document to move forward immediately. This has been a Board of Regents resolution in the past several biennial budget actions.

New Item:

- Encourage greater campus use of the differential tuition option.

Associate Vice President Sell also agreed to present the final document in groupings by topic (i.e., all tuition options together) to make it a more coherent stand-alone document.

b. UW-Stout: Using the Baldrige Criteria for Business Operations Improvement

Diane Moen, Vice Chancellor, UW-Stout, presented information about how UW-Stout has used the Baldrige criteria to improve business operation effectiveness. The Baldrige criteria help organizations to meet "challenge and change" by improving organizational performance practices, capabilities, and results. They do this by encouraging the alignment of organizational performance to student and stakeholder needs, by assessing the continuous improvement of services, reviewing outcomes, and evaluating effective use of fiscal resources.

Vice Chancellor Moen noted that, regarding operations management, the criteria requires UW-Stout to obtain and use student, stakeholder, and market needs and expectations. UW-Stout utilizes a wide variety of strategies and processes to assess needs and expectations. These strategies include: forums, committees, councils, surveys, reviews, and data collection and analysis. Vice Chancellor Moen provided examples of these methods. Community forums are used frequently to solicit feedback and input. UW-Stout believes in having active participatory involvement. Campus parking is always a big topic of conversation. UW-Stout recently made a major change to their parking system, a change that has been successful due in part to 18 open forums that solicited input from the entire campus community. Last spring UW-Stout completed a comprehensive master plan for the north campus residential community. Open forums included not only students, faculty and staff, but also neighborhood and city residents and city officials. The result was a final plan that met both campus and community needs and concerns.

Vice Chancellor Moen stated that UW-Stout also utilizes cross-functional committees. Many support services utilize advisory committees to provide input, to review policies, evaluate programs and

services, and identify needs. The student center, recreation/athletic complex, and dining service all have advisory committees. UW-Stout makes extensive use of surveys and other feedback in its continuous improvement processes. Student satisfaction with support services is measured and compared to other universities annually through a student opinion survey. UW-Stout conducts telephone surveys and even determines the kind of cereal served in the food services and the background music played in the student center based on survey results. Specific support services such as the student center and housing and residence life participate in national benchmarking surveys conducted through their professional organizations. Survey results are used to improve, change, add, reduce and/or discontinue aspects of UW-Stout's support services.

Vice Chancellor Moen noted that external and internal reviews are an integral part of UW-Stout's continuous improvement process. External food service consultants have been utilized to improve university dining service. As a result of the consultant's recommendations, organizational changes have been implemented, marketing efforts have been increased, menus have been changed to better meet student needs and desires, service has been modified, and new products and services have been added. Internal reviews of support services are conducted by the Educational Support Unit Review Committee. This committee performs a review of all non-instructional units on a 7-year cycle. The committee provides the university with a way of evaluating whether units are meeting institutional needs and priorities as well as assessing quality and standards of performance, and encouraging further planning to improve efficiency and effectiveness.

Vice Chancellor Moen commented that UW-Stout is a data driven campus, and data collection and analysis is an important tool for the continuous improvement efforts in the support process. Data is collected and analyzed for the budget development process, in determining hours of service, for identifying service usage patterns, and in the capital planning process. Data is one of the important building blocks in developing a firm foundation to facilitate continuous improvement. The Baldrige criteria indicate that UW-Stout data should show sustained improvement in satisfaction, loyalty, persistence, and positive referral indicators. UW-Stout performance shows sustained improvement well above national and peer averages. Also, in alignment with UW-Stout's plan to become a laptop campus, student data connections in the residence halls have increased from 45 in 1996-97, to over 1,800 in 2000-01 and in the fall of 2001-2002 UW-Stout had 2,300 data connections in their residence halls.

Vice Chancellor Moen noted that, regarding fiscal management, the Baldrige criteria require a demonstration of the effective use of financial resources and recognition of market challenges and opportunities. UW-Stout's philosophy has always been conservative fiscal management, minimal but steady rate increases, mirroring the Board Of Regent's philosophy with tuition. This provides predictability to students, provides a foundation for financial planning, establishes the expectation of fiscal effectiveness, and assures that rate increases are planned and have thorough review.

Vice Chancellor Moen commented that there are many fiscal indicators UW-Stout uses to manage and monitor business operations. UW-Stout uses its established set of peer campuses which include institutions with similar missions, campuses with similar programs, and the other UW System campuses. UW-Stout looks at debt service per student and compares this to the planned capital project needs. The FacMan facility maintenance program provides the overall condition of buildings. UW-Stout participates in a number of professional organization benchmarking studies which provide the comparison to the world and guide its actions in keeping abreast of national trends. UW-Stout reviews its reserve management position and plans for the long term through a 6-year budget plan process. Finally, UW-Stout reviews its comparative position within the UW System.

c. Trust Funds

Upon the motion of Regent Klauser and the second of Regent Axtell, the Committee approved Resolution I.2.c.(1).

Resolution I.2.c.(1)

That, upon the recommendation of the Regent Business and Finance Committee, the attached revised University of Wisconsin Trust Funds Procedures and Guidelines for Voting Proxies be adopted.

d. Meta-Data and Digital Asset Management

Byron Knight, Director of Broadcast and Media Innovations, UW-Extension presented a video presentation showing how, with the conversion from analog to digital, broadcast information can be shared using digital asset management.

A portion of the video presentation's text is as follows:

For years, libraries have managed access to information with the card catalogue. These card catalogues are rapidly being replaced by on-line databases. Students and faculty now look on-line using search engines to put in a subject and find the location of relevant material. Of course, you still have to go to the library to see the actual book. But, as information becomes digitized and placed in servers, it is becoming possible to access the electronic version of the print material from your home or office. On-line search engines have made locating information on the web an easy task. This is evident in the changes that are being made in the way the universities engage the public. Much of the information generated through cooperative extension and continuing education is now indexed and placed on line. Anyone with a web browser can access lists of extension publications, conference schedules and workshops at the click of a mouse. Of course, sometimes too much information is as bad as too little. We've all typed in a subject on a web browser and received over one thousand "hits" which contain our desired subject word in the title or context of the found web pages. This is far too much information to be useful. In order to be useful, information such as reports, catalogues of text and images, sound and videotapes must be both "findable" and also granular – detailed as to content and context, and deliverable in appropriately-sized segments. This has brought the term "metadata" into the vocabulary of webmasters, librarians database managers, and broadcasters. Metadata is "information about information". It includes simple labels like titles, episode numbers, format and creator, or complex information like licensing restrictions, or an audio transcript, or an index of recognizable faces on video. Metadata is the information on your new electronic card catalogue. . .information about the content, keywords, subject headings, targeted grade level, copyright, and usage. Even more importantly, accurate metadata, combined with digital conversion and storage of our content resources on online servers, makes it possible to not only find the right material, but to have it delivered to us at the same time. This is an exciting move from the creation of catalogues – telling where things are – to the creation of asset libraries that actually contain the digital versions of the content object. Not just the publication number – but the publication. Not just the shelf and box number of a video tape – but the streaming video version. The combination of digital media storage and delivery technology with the art of accurate metadata creation leads to today's emerging digital asset management systems. These systems integrate appropriate content metadata with access and security control information, rights management and e-commerce features into one large database. The database in turn is linked to asset libraries holding digital copies of the indexed material. By linking databases and

using advanced networks such as Internet2, libraries can be accessed anywhere in the world. Digital asset management systems contain these components:

- Media encoding – the creation of digital copies of the master content;
- Metadata creation – the attachment of the information which will create the index to find the content;
- Search engine design – this design will determine how the results of a metadata search are formatted and displayed;
- Digital rights management – systems for controlling access and use of the content; and,
- E-commerce – a method for authorization of use and payments when needed.

It sounds complicated so why bother? University librarians and information technology professionals are already familiar with asset management systems. They are being joined by their public-broadcasting colleagues because, once digital television is available, any program can be saved as digital data. This video and audio data can be displayed on a television screen, a computer screen, or some combination of both. The integration of rich media (video and audio) into digital asset management systems will allow access by various editors. These editors can include broadcasters creating programs, faculty to creating learning objects, extension agents creating media files as resources for the public. By publishing information on a searchable database the ability exists to locate and share information quickly and efficiently through a portal. Digital technology forces us to rethink how to create, index, store and share vetted content. Also, relationships with viewers and learners need to be rethought. Rather than pushing content to the audience, they will choose what information they want, and pull it for themselves. It is a big change. But, how to manage and deliver educational resources to the public is a familiar challenge for public broadcasting and higher education. It is only the technology that is changing.

Regent Krutsch noted that meta-data and digital asset management seems highly specialized, and asked what applications this technology will lead to in the future. Byron Knight noted that, with the aid of federal funding, UW-Extension is at the forefront of the effort to develop standards and applications for data access and storage. This technology brings exciting innovations to the long tradition of public service media bringing information to K-12 schools, institutions, and the public.

Regent Axtell asked how this technology will be made available to the market. Byron Knight stated that it will be delivered on a pay by subscription arrangement, similar to how a service like America Online charges to subscribe to their portal.

e. Committee Business

(1) Approval of the Minutes of the March 7, 2002 Meeting

Upon the motion of Regent Klauser and the second of Regent Jones, the minutes of the March 7, 2002, meeting of the Business and Finance Committee were approved as presented.

f. Report of the Vice President

Vice President Debbie Durcan noted some revisions to the UW System figures for the NACUBO Cost of College project. These revisions were presented because the definitions for categorizing costs are

subject to interpretation across institutions. The revised data for Institutional and Community Costs put the UW System average at 6.7 percent (rather than the 12.9 percent reported previously) versus the 7.5 percent in the NACUBO study.

Vice President Durcan commented how the UW System fit into the National Center for Educational Statistics Study of College Costs and Prices. She noted that:

- Declining state GPR appropriations explains most of tuition increases over the 10-year period;
- The UW System tuition increases have been less than the national average; and,
- State appropriations as a share of total revenue decreased in the study and were relatively flat for the UW System.

Finally, Vice President Durcan stated that the UW System has instituted travel restrictions to meet the assembly-proposed plan to cut the university's GPR travel by 83 percent. The UW System has temporarily suspended system wide conferences that involve system only staff, and has replaced many of these with teleconferencing.

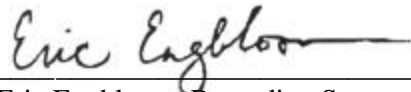
g. Additional items which may be presented to the Committee with its approval

No additional items were presented to the Committee.

h. Closed session to consider trust fund matters as permitted by s.19.85(1)(e), Wis. Stats.

No items for trust fund matters were presented to the Committee.

Upon the motion of Regent Krutsch and the second of Regent Jones, the Business and Finance Committee adjourned at 3:24 p.m.



Eric Engblom, Recording Secretary