

MINUTES OF THE SPECIAL MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN

Held by telephone conference

Monday, July 8, 2002

10:30 a.m.

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

Unable to participate: Regents Brandes, Gracz, Krutsch, and Schneiders

The meeting began with a moment of silence for Regent Schneiders and her family, who had been involved in a tragic traffic accident over the weekend.

The agenda for the meeting was to set academic tuition rates and revenue. The Board approved the 2002-03 annual operating budget and GPR and other program revenue at the June 6th meeting, but had deferred action on tuition due to uncertainty surrounding the budget adjustment process.

In introductory remarks, President Lyall noted that the budget adjustment process was continuing and some items remained unresolved, including the legislative proposal for a surcharge on credits in excess of 165. Resident undergraduate tuition was set at 8% in accordance with the legislative Conference Committee's agreement. This amounts to \$224-\$286, depending on the campus, and compares favorably with other Midwest universities where tuition increases will be in excess of \$400. UW-Madison resident undergraduate tuition is \$1100 below the peer average.

Nonresident undergraduate was increased 13%, including a 5% surcharge required by the budget adjustment bill. Increases amount to \$1500-\$2000.

Referring to use of cohort tuition by some universities, the President cited examples of freshman tuition increases of \$1000 at Illinois, \$894 at Ohio State, and \$1400 at Purdue.

Regent Klauser inquired about the proposed 165-credit limit, to which President Lyall replied that the UW was requesting a veto if the proposal were included in the final bill because it would have a negative impact on such programs as engineering, computer science and teacher education. Regent Klauser commented that the result would be to charge students more to study in high technology fields that need skilled workers.

Regent Burmaster expressed concern about the proposal's negative impact on teacher education at a time when there are shortages in those fields.

Regent Marcovich feared that high non-resident tuition levels will interfere with the ability to attract high quality students from other states.

Regent Mohs agreed, adding that the result could be a decline in overall educational quality.

Regent Barry asked that the yield rate be monitored to determine whether there is a diminution in nonresident enrollments.

Noting that the UW's nonresident tuition is above market levels, President Lyall pointed out that nonresident students pay more than 100% of costs, which helps to keep resident tuition lower than it otherwise would be.

Regent Smith also expressed concern about the high cost of Medical School tuition.

Regent Boyle pointed out the raise in resident undergraduate tuition is necessary to maintain quality. President Lyall agreed, adding that the growing gap in tuition between UW and peer institutions has quality implications.

Regent Smith commented that a statewide discussion is needed on what the public and the Legislature want in terms of student access. He remarked that it may be difficult to adhere to the Board's policy of predictable tuition increases in the future.

Regent Olivieri observed that resident undergraduate education at the UW still is an outstanding value. He hoped that next year there would be more differential tuition efforts at all institutions.

In response to a question by Regent Olivieri, President Lyall indicated that the difference between an 8% and a 10% tuition increase is about \$10 million.

Regent Randall stated support for maintaining the link between increases in tuition and financial aid. Regent Marcovich and Regent Burmaster expressed agreement, and Regent President Gottschalk stated the Board's general concurrence with maintaining that linkage.

It was moved by Regent Axtell, seconded by Regent Boyle, and carried unanimously that the following resolution be adopted by the Board:

Approval of 2002-03 Rates for Academic Tuition, the Academic Tuition Refund Policy and Schedule and the Operating Budget Academic Tuition Increases

Resolution 8579:

That, upon the recommendation of the President of the University of Wisconsin System, the 2002-03 Academic Tuition Schedules shown in Schedules B-1 through B-4 and the Tuition refund policy and schedule shown in Attachment C be approved. The 2002-03 operating budget approval also includes an increase of \$59,766,304 in academic tuition.

That the President of the System is authorized to approve changes resulting from final enactment of the 2002-03 state budget adjustment bill and make final detailed allocations to reflect final legislative and gubernatorial action

Academic tuition for Minnesota Reciprocity students will be incorporated into the 2002-03 Academic Fees/Tuition Schedule upon receipt of final Minnesota tuition information.

Upon motion by Regent Smith, seconded by Regent DeSimone, the meeting was adjourned at 11:00 a.m.

Judith Temby, Secretary