Board of Regents of the University of Wisconsin System
Office of the Secretary
1860 Van Hise Hall
Madison, Wisconsin 53706
(608)262-2324

November 1, 2002

R E V I S E D

TO: Each Regent

FROM: Judith A. Temby

RE: Agendas and supporting documents for meetings of the Board and Committees to be held at Van Hise Hall, 1220 Linden Dr., Madison, on November 7 and 8, 2002 and at Grainger Hall, 925 University Ave., Madison, on November 7.

Thursday, November 7, 2002

10:00 a.m. –

- Admissions Briefing

1511 Van Hise Hall

11:00 a.m. –

- Wisconsin Technical College System Presentation
- 2003-05 Budget
  - New Initiatives
  - 95% Exercise

1820 Van Hise Hall

All Regents Invited

12:30 p.m. – Committee Meetings:

Education Committee
1820 Van Hise Hall

Business and Finance Committee
1920 Van Hise Hall

Physical Planning and Funding Committee
1511 Van Hise Hall

3:30 p.m. – Investment Forum

Business and Finance Committee and other Regents
4151 Granger Hall, Directors Room

Friday, November 8, 2002

9:00 a.m. – Board of Regents

1820 Van Hise Hall

Persons wishing to comment on specific agenda items may request permission to speak at Regent Committee meetings. Requests to speak at the full Board meeting are granted only on a selective basis. Requests to speak should be made in advance of the meeting and should be communicated to the Secretary of the Board at the above address.

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REVISED

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I. Items for consideration in Regent Committees

1. Education Committee - Thursday, November 7, 2002
1820 Van Hise Hall
University of Wisconsin-Madison
11:00 a.m.

11:00 a.m. All Regents

- Wisconsin Technical College System Presentation
- 2003-2005 Budget
  - New Initiatives
  - 95% Exercise

12:30 p.m. Education Committee

a. Approval of the minutes of the October 10, 2002 meeting of the Education Committee.

b. Discussion: All-Regent Session.

c. Report of the Senior Vice President for Academic Affairs.

(1) Race and Ethnic Diversity in the Curriculum – United Council Presentation

(2) Success and Pre-College Programming: Report on Pre-College Program Study

d. Program Authorizations - First Reading:

(1) M.S. in Health Care Informatics, UW-Milwaukee

e. Program Authorizations - Second Reading:

(1) B.S. in Biochemistry, UW-Milwaukee
[Resolution I.1.e.(1)]

(2) B.S. in Biochemistry, UW-La Crosse
[Resolution I.1.e.(2)]

(3) M.S. in Biotechnology, UW-Madison
[Resolution I.1.e.(3)]

f. Ph.D. in History, UW-Milwaukee – Second Reading

g. Revised Mission – Second Reading:

(1) UW-Platteville – Second Reading
[Resolution I.1.g.(1)]

(2) UW-Eau Claire – Second Reading
[Resolution I.1.g.(2)]

h. Additional items that may be presented to the Education Committee with its approval.

UNIVERSITY OF WISCONSIN SYSTEM PRECOLLEGE PROGRAMMING

EXECUTIVE SUMMARY

BACKGROUND

The University of Wisconsin System instituted precollege programming during the 1980's and, currently, all UW institutions offer precollege programs. Precollege is one of the primary methods by which the UW System can increase the pool of college-prepared students of color and disadvantaged students. In this way, precollege activities across the UW System directly impact the goals set out in Plan 2008. In order to further understand the effectiveness of precollege programming, the UW System will take a two-pronged approach toward assessment: (1) within the context of a continuous improvement model, programs will be evaluated for effectiveness and relevant information will be fed back to each program; and (2) longitudinal tracking of student progress, in the aggregate, will be recorded to determine the impact of precollege programming.

DISCUSSION

UW System precollege programs focus on several goals, all of which are a part of the overall mission to aid in the educational progress of Wisconsin youth. While precollege programming is designed for all categories of Wisconsin youth, this report focuses on programming for students of color and disadvantaged students (hereafter referred to as "targeted" students). Precollege programming is designed to increase the likelihood of high school graduation for targeted youth, and to increase the likelihood of enrollment in post-secondary institutions. UW System campus programs strive to meet the needs of Wisconsin's targeted student population by addressing through their program objectives such broad areas as educational and financial planning, social relationships and campus involvement (e.g. peer support, mentorship), and academic and affective preparation (e.g. skills or confidence).

During the summer of 2002, a pilot of the assessment of precollege programs was performed. It entailed assessing 21 of the 88 UW System programs that qualified for the Department of Public Instruction's (DPI) targeted student scholarship program, as well as two programs that do not receive DPI funding. The assessment process focused on both academic and affective outcomes, and was administered in both baseline (pre-test) and value-added (pre-test/post-test) modes. The duration of programs assessed ranged from a few hours a day for a one-week period, to a residential on-campus experience lasting seven weeks. In general, the preliminary findings are consistent with expectations:

1. Precollege student attitudes toward college, motivation in school, and confidence of succeeding in college vary between students and between programs.

2. Precollege student attitudes toward college, motivation in school, and confidence of succeeding in college tend to become more positive as the number of precollege program participations increase (regardless of program length).
3. Changes in precollege student attitudes were not measurable in pre-test/post-test format for programs lasting for six weeks or less, but were measurable in a seven-week program. Therefore, the assessment process may have to be adjusted to administer post-tests beyond a six-week timeframe in order to permit adequate time for capturing measurable change.
4. Changes in some student academic skills (e.g., increased knowledge in a specific content area) were measurable over a two-week time period.
5. Information from the pilot study is useful to programs for program improvement purposes and to more fully describe the attitudes of the targeted student population.
6. Possible components of longitudinal precollege impact models were identified (e.g. motivation, confidence, and college interest).

NEXT STEPS

In addition to program evaluation, another goal of the assessment process is to conduct longitudinal tracking to measure the impact of precollege programs. At the inception of the longitudinal assessment process baseline information, such as that collected this past summer, will be used to gauge student growth. The strength of the link between motivation and academic success will be investigated. Tracking student cohorts with the benefit of program participation data, academic outcome data, affective outcome data, high school coursework information, high school graduation, and post-secondary enrollment information will permit measurement of the impact of precollege programs on Wisconsin youth. Using the lens of anticipated student outcomes, longitudinal modeling of precollege program content and student characteristics will reveal the most effective program models and frameworks. These features can then be replicated throughout the UW System.

Longitudinal tracking of students to measure the impact of precollege must necessarily begin with accurate and complete recording of student data. Within Wisconsin, a number of agencies are beginning to work in concert with one another to provide a more complete picture of student precollege involvement than that offered by any single source alone. Among the sources of precollege student information are the UW System Multicultural Center for Educational Excellence (MCEE) database, DPI Precollege Scholarship database, UW System campus databases, and GEAR UP grantee databases. The UW System and DPI have developed a data-sharing agreement and partnerships are in the process of being formed with the other entities.

REQUESTED ACTION

For discussion only; no action is requested.

University of Wisconsin System Precollege Programming

Introduction

The purpose of this report is to describe precollege programming in Wisconsin (particularly UW System programming), to discuss the objectives of the precollege programs and how they are designed to assist Wisconsin precollege students, to describe a pilot assessment of precollege programming, and to outline next steps for precollege program assessment.

The report is comprised of two distinct parts. The first part provides a conceptual model of the UW System precollege programming goals, in essence explaining the purpose of precollege activity. Each piece of the model is supported by historical and current research. The second part of the report pertains to a pilot assessment that was conducted during the past summer. This pilot was performed primarily to evaluate the assessment procedure, as well as to determine the feasibility of obtaining and using the assessment results. Consequently, the findings reported in the second section are preliminary and the reader is cautioned not to generalize beyond the specific programs assessed. In addition, the comprehensiveness of the conceptual model presented in the first section is not matched by the limited nature of the pilot assessment described in the second section. In the concluding section, next steps are discussed, which include a more comprehensive assessment process for future years, as well as a longitudinal tracking paradigm.

Definition of Targeted Population

For the assessment pilot, the focus was upon those programs that qualify for Department of Public Instruction (DPI) Precollege Minority Scholarship Program funding. In order to qualify, a program must adhere to DPI guidelines for targeted programs. The DPI guidelines state that the program must admit minority students and must have an academic skill-building, enrichment, or career exploration focus. UW System precollege programs designed to meet these criteria also admit disadvantaged students. Consistent with the federal definition of disadvantaged, these students are defined as low-income, first-generation, or low-income and first-generation students of any ethnic descent. In other words, majority culture students are admitted to targeted programs even if they do not qualify for DPI scholarship monies. (In the near future, DPI scholarships will also be offered to disadvantaged students.) Thus, when referring to targeted programs we are also referring to targeted students. The program must be approved by DPI and the students must be disadvantaged or minority students to be designated targeted. Throughout this document "targeted" students are students of either minority or disadvantaged status, or both.

Part I: Description of Precollege Programming

A number of different precollege initiatives have been developed over the past thirty years. Among the better known of these programs are two that have been developed and funded by the federal government. The goal of both programs is to increase the participation in post-secondary education of low-income, first generation, African American, American Indian, Latino, and Asian youth. While GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) only recently arrived in the precollege arena (1998), the first TRIO programs were initiated in 1964. TRIO began as three programs—hence the acronym—but now encompasses a myriad of programs, all designed to address the educational needs of targeted students aged 13 to 19. In addition, some programs serve students who are currently enrolled in a post-secondary institution, and others serve those who will be administering and/or teaching in TRIO programs. While sharing a similar goal of reaching targeted youth, GEAR UP finds students in a different way, i.e., by identifying cohorts of students in the sixth to ninth grade in disadvantaged schools. Services are provided for students from age 12 through the high school years.

The state of Wisconsin, largely through the efforts of the Department of Public Instruction and the University of Wisconsin System, takes an approach to precollege programming similar to that offered by the national models. A host of different programs for targeted youth predominantly in the sixth to twelfth grade levels are administered annually with some programs following the GEAR UP longitudinal model. Due to limitations in funding, most UW programs last for only one to four weeks. The UW System also offers programs designed for students from non-targeted groups, but the focus of this report will be upon targeted student programs.

Evaluation/Effectiveness of Precollege

Studies of precollege programs are almost as ubiquitous as the number of different types of programs available to students. From this rich body of research, some effective program characteristics can be identified, as can their links to student attributes and outcomes. There are common barriers that impede targeted students from completing secondary education and/or enrolling in post-secondary education. The attributes and circumstances which obstruct targeted student educational progress can be grouped into four categories: Educational Planning, Social Realm, Academic and Affective Preparation.

Educational Planning

Often, targeted students and their parents/caregivers lack information about post-secondary choices and have an incomplete understanding of the link between high school course selection and post-secondary educational opportunities. This creates a major impediment to student educational progress.[1] Such impediments are at the heart of the of the educational planning aspect. How can a student make informed educational choices when he/she knows little about educational opportunities? The lack of knowledge

regarding core course requirements for college has often been cited as a major barrier to higher education.[2] This is particularly the case for targeted students, as not only are these students less knowledgeable than their peers about higher education, but they also tend to have access to and use fewer resources with respect to their educational planning.[3]

Targeted students often do not have information and guidance with respect to the application/admissions processes and college funding/financial planning services.[4] Many students and parents find the application, admission, and financial aid forms complicated and confusing. This effect is enhanced for targeted students whose knowledge of higher education, as previously stated, is limited. Merely informing the students is not enough.[5] There is a link between post-secondary options and parent/caregiver involvement.[6] This link is even stronger for minority than non-minority students.[7] Consequently, it is necessary to educate the family, parent, or caregiver of these students. One of the most effective methods of increasing targeted student motivation and family involvement is through campus visits.[8]

Social Realm

Similar to the case of family understanding of post-secondary options, involvement in the campus community of the student and his/her family at the college level enhances the probability of subsequent targeted student application and enrollment.[9] Ideally, the campus environment encountered by the precollege student is inclusive of disadvantaged students from different backgrounds. In addition, it includes both faculty and peer mentoring opportunities to increase student comfort with the campus environment.[10] Peer support is another salient facet of the social realm. Students are more likely to align their interests within a college preparatory curriculum if they experience support from their peers.[11]

Academic and Affective Preparation

While academic and affective preparation are arguably two different categories, they are so closely intertwined with academic achievement that they are addressed together in this briefing. One of the primary reasons for low targeted student college enrollment is lack of preparation in core academic areas.[12] Targeted students are less likely to take rigorous and/or college preparatory coursework,[13] even though such course work has a relatively greater impact on educational success for African-American and Hispanic students than for non-minority students.[14]

Other academic areas in which targeted students are less prepared than non-targeted students are in the use of study skills and in preparation for tests.[15] Closely linked with the lack of academic preparation is the perception by many targeted students, their peers, and/or mentors that they may not be able to go to college, even if they wish to do so. Many targeted students simply lack confidence in their scholastic ability,[16] and thus experience a concomitant lack of motivation[17] and interest.[18] Compounding the problem is the fact that, for a variety of reasons, learning has not been enjoyable for many targeted students and they have little experience with school-related success.[19]

Addressing the Barriers

With respect to addressing the lack of academic preparation in targeted students, precollege programs that focus on enrichment and skill-building, *not* remediation, demonstrate the greatest success.[20] For example, the Upward Bound program (one of the programs encompassed by TRIO) targets 13-19 year-old potential first-generation students from low-income families. These students participate in multiple activities, none of which focus on remediation. Upward Bound's stated goal is to increase the rate of post-secondary enrollment and graduation of targeted students. To that end, the program includes counseling, college information and admissions/application processing, academic skill-building, cultural enrichment, and, usually, a year-round component as well as summer experiences on a college campus.

Regarding program effectiveness, Upward Bound demonstrates a significant positive impact on targeted student college enrollment. Fully 90 percent of Upward Bound participants enroll in post-secondary institutions compared with 72% of non-participants, 74 percent of participants enroll in four-year institutions compared with 43 percent of non-participants, and 20 percent of participants graduate from four-year institutions compared with only five percent of non-participants.[21] In addition, the more comprehensive and longer the duration of participation, the greater the positive impact on the targeted student.[22]

While they do not experience increased grade point averages, Upward Bound participants are more likely to pursue rigorous high school courses that prepare them for college.[21] Thus, it seems likely that increases in collegiate aspirations, motivation, and confidence accompany student participation in Upward Bound activities.

UW System Precollege Vision

With a vision toward increasing the enrollment of targeted students, the UW system seeks to continuously improve its programs using models that have been shown to work. The precollege research and a review of current UW system precollege programs point to a need to include more academic skill-building that enhances student skill development, rather than focusing on remediation. While such components are necessary, however, their inclusion should not be at the expense of existing affective and social program components. Although all UW system programs include components addressing at least some of the aspects mentioned (educational planning, social, academic preparation, and affective preparation), few encompass them all. Only one-third of targeted programs have a specific academic enrichment/skill-building component (29 of 88 programs).

Also salient in the UW System vision is the realization that there is more than one possible successful educational outcome for precollege students. As is the case for all students, for some targeted students a four-year college education may be the appropriate educational outcome; for others, a certification program at a technical school may be appropriate. Given this, multiple indicators of precollege program success are warranted.

Some targeted students may be part of a cohort that typically does not graduate from high school and therefore the rate of high school graduation can be used to measure program success. Another indicator of precollege program success could be a change in student behavior such that student enrollment in difficult and/or college preparatory course-work increases with precollege participation. Even more generally, the simple calculation of the number of targeted students returning for subsequent precollege programs provides a measure of program success.

While we often cannot measure specific skill-set increases in a two to four-week precollege program, we may register a positive change in students' collegiate attitudes, interest, confidence, or motivation that will lead to greater educational attainment in high school and beyond. The impact of affective components such as the joy of learning and feeling successful can further fuel these changes. In turn, the skills learned in a precollege program may be transferred to other learning experiences, further strengthening the student's educational potential. Finally, an acknowledgement that the traditional college student path does not suit all precollege students directs us to regard enrollment in post-secondary education of any type (e.g., public, private, two-year, four-year, technical) as a success for our precollege programs.

UW System Precollege Conceptual Model

Throughout this section, it will be useful to refer to the conceptual model of UW System precollege programming presented at the end of Part I of this report. As stated previously, first-generation, low-income, and targeted students come to precollege programs with a number of attributes and circumstances that, despite students' inherent talent, may inhibit their educational attainment.

In the conceptual model, the column headed student attributes presents four general classifications of barriers that may be faced by targeted students: educational plans, social realm, academic preparation, and affective preparation. These are the student attributes or characteristics that precollege programs are designed to impact. The goal is to provide students with college information, connectedness, and the affective and academic skills necessary for continued learning and educational success.

The program objectives column lists characteristics of UW system precollege programs. Each of the targeted UW System campus precollege programs encompasses some of these objectives. But the individual programs may differ considerably depending upon the population served by the program, the expertise available on the campus, and budgetary constraints.

Notably, the program objectives associated with educational planning (the first row of the first two columns) are predominantly handled by the Multicultural Center for Educational Excellence (MCEE) in Milwaukee. MCEE not only shares salient college information with targeted students, but also actively recruits students to precollege programs. To a lesser extent MCEE addresses the social realm. Often, though, social skills and understandings are directly addressed via activities in targeted precollege

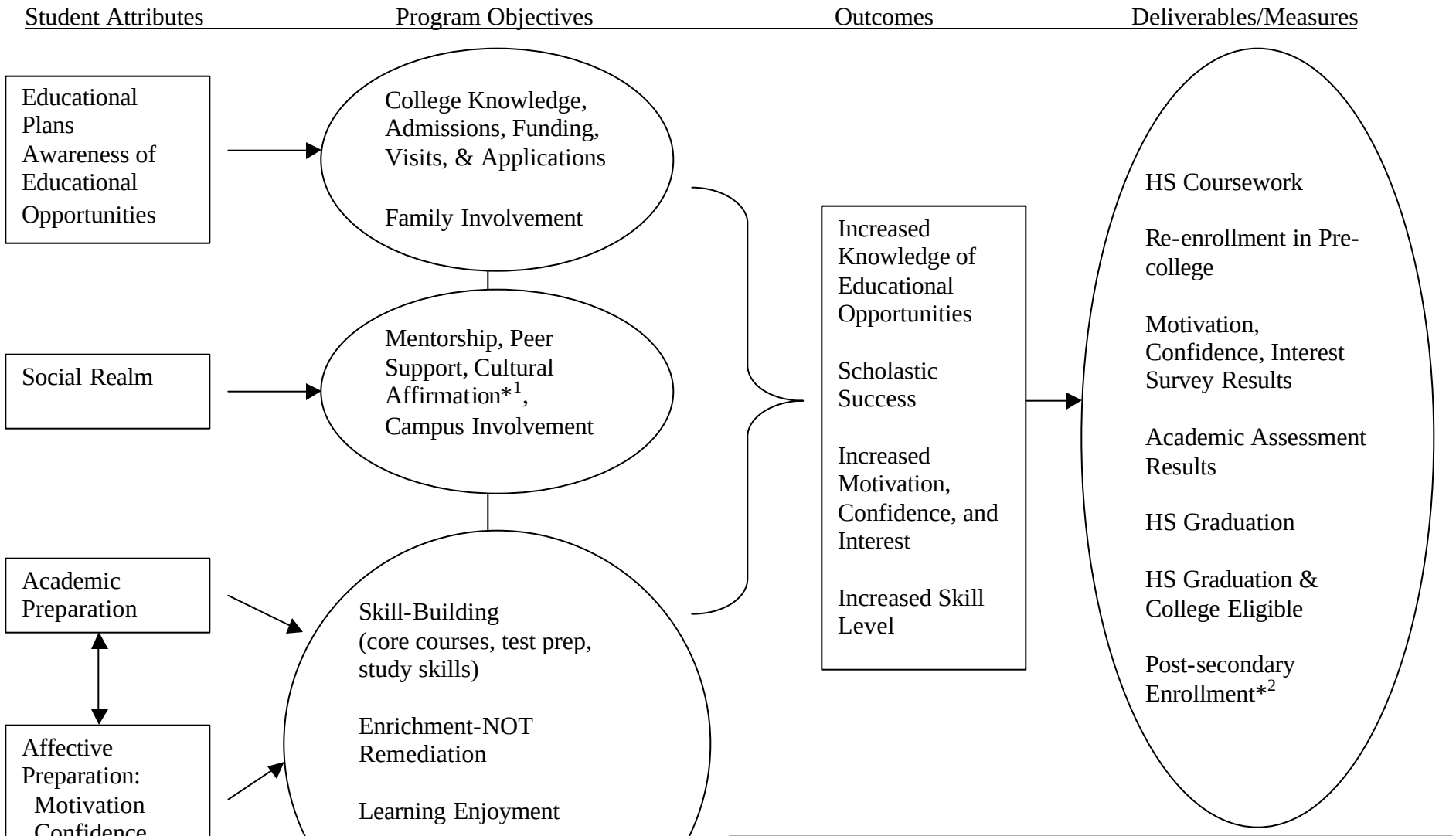
programs. For instance, not only are students exposed to active mentoring and peer support, but also, instructors for some of these programs gain professional development through working with targeted students.

The program objectives associated with academic and affective preparation are at the core of UW System campus precollege programs (see the bottom two rows of the conceptual model). The general goals for each program are to give students the skills necessary for educational success. Often students may possess the raw ability to succeed educationally, but lack the confidence or motivation to even engage in a scholastic setting. Therefore, the UW System programs and the subsequent assessment of their effectiveness focus upon both affective and academic areas.

The third column of the conceptual model is labeled outcomes. These are the intended impacts on student development. Note that there is no one-to-one correspondence between each program objective and a specific outcome. Rather, each objective contributes overall to positive outcomes for the student. In addition, the more successful a program is in meeting program objectives in multiple areas (i.e., more comprehensive), the greater the impact on student developmental outcomes.

The final column lists the success indicators or measures we use to determine program effectiveness. Again, there is no one-to-one correspondence between outcomes and deliverables/measureables, but there is support for a link between positive outcomes and successful educational experiences. For example, if a student learns to do research in a precollege science program and discovers he/she enjoys learning, that student may be more motivated in scientific learning situations in the future. This, in turn, will lead to enhanced scholastic success and the confidence to enroll in advanced high school physics or chemistry, thereby preparing him/her for college.

UW System PRE-COLLEGE CONCEPTUAL MODEL
2002



*Notes. (1) Cultural Affirmation designed to contradict prevailing stereotypes of M/D students. e.g. A rural farm youth may perceive s/he has limited ability to succeed because of her/his rural background.
(2) Post-secondary enrollment includes public/private, 2-yr/4-yr, & technical schools.

Part II: Precollege Assessment Pilot

Description of UW System Targeted Precollege Programs

During the calendar year 2001-2002, approximately 400 precollege programs were administered by the 13 four-year and 13 two-year colleges that comprise the University of Wisconsin System. Of the 400 programs, 88 qualify for targeted student scholarships provided by the Department of Public Instruction (DPI) through their Precollege Minority Scholarship program. **Of these 88 programs, 29 are designated academic "skill-building" programs and were identified for the assessment pilot.** The data reported here is the result of assessment in 22 of the 29 programs. The goals of the pilot were many:

1. To initiate program personnel to assessment and data collection;
2. To investigate the utility of the assessment tools;
3. To investigate the relationship between program participation and attitudes toward college, school motivation, and confidence of collegiate success;
4. To investigate whether change in student affective orientation is measurable in 1 week, 2 weeks, or more;
5. To investigate whether change in student skill level is measurable in 1 week, 2 weeks, or more;
6. To provide precollege programs participating in the pilot with program-specific information for program improvement;
7. To begin to develop longitudinal precollege models.

The programs varied in length from 2 days to 7 weeks. The majority of the programs were conducted during the summer months (from June through August, 2002). Some programs were residential (meaning the students stayed on the UW campus for the duration of the program); others were commuter (i.e., students came to class during the day and went home in the evening). At the time of this report, those programs that included a school-year follow-through component are still being assessed and their data will not be available until the end of this school year.

Directly measuring increased academic skills and/or motivation to perform in school may not be possible within a two-week time frame. This does not mean, however, that UW System programs do not have an impact on student motivation and subsequent learning. This impact may develop over time (longitudinally) and may be best measured by using indirect means (e.g., changes in high school course-taking behavior). As stated previously, one of the primary outcomes of student participation in federally funded precollege programs is in increasing their readiness and access to higher education—not necessarily in increasing their high school grade point averages.

A list of the precollege programs assessed during the summer of 2002 is attached and includes pertinent program characteristics. While some of the programs list a number of academic subjects studied, one can assume that in a week or two-week program the depth of study in any given topic is necessarily limited. For instance, in a

program targeting math, reading, writing, and study skills, the student will participate in meaningfully structured activities that focus upon those subjects. **What each program <u>does</u> offer students is the opportunity for a successful academic-based experience that the student can then build upon to form his/her own academic identity**.

Affective Assessment

The affective assessment consisted of one 72-item survey that contained three subscales: Attitude Toward College, Motivation in School, and Confidence in College. Each subscale demonstrated good reliability (.85-.90). This indicates that scores are generally stable. In addition, there is valid evidence that higher scores on at least one subscale are associated with college enrollment and subsequent graduation. The survey lists a series of declarative statements to which students responded on a Likert scale indicating their agreement or disagreement with each statement.

Each student completed a pre-test on the first day of the program. The scores of the students in the 20 programs who have completed their summer surveys appear in charts 1-3. The scores for students in the different programs reveal that students, grouped by program, demonstrate differing attitudes, motivation, and confidence when they first arrive at the precollege program. Of particular note is the finding that students who were selected for particular programs by virtue of their academic ability and motivation demonstrate a unique response pattern on the three subscales. In the charts presented below, groups 9 and 18 stand out as having significantly higher overall scores on the survey. Both programs select only gifted and talented students.

Chart 1. Pre-test of Precollege Student Attitudes Toward College

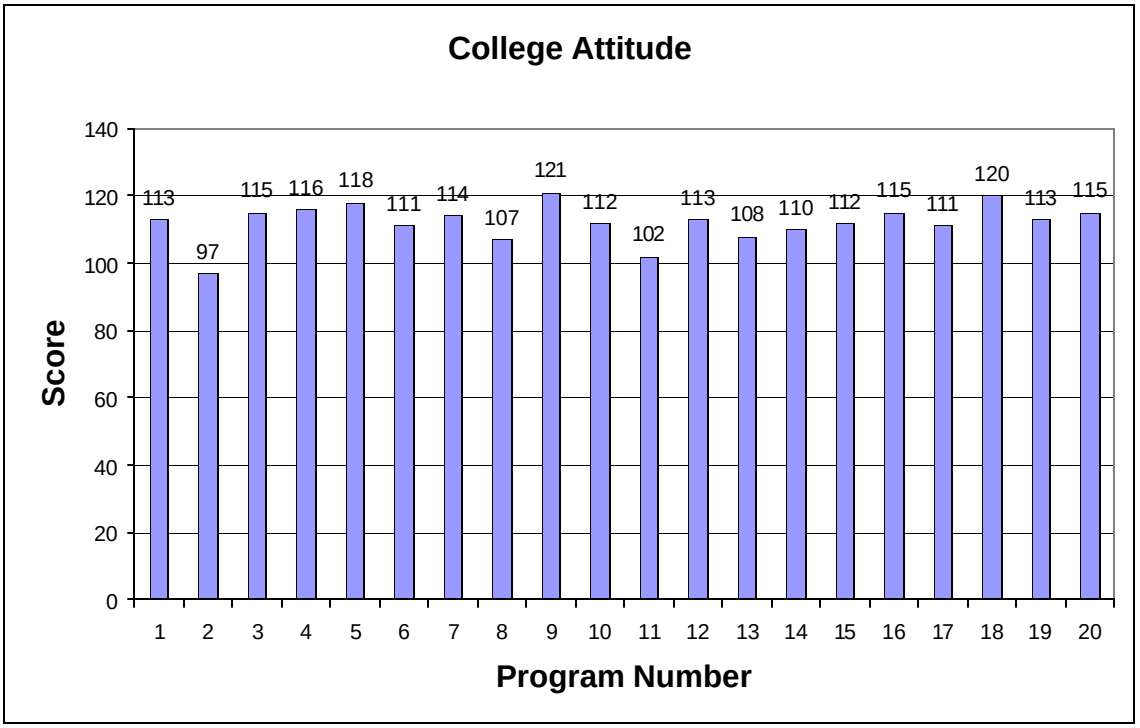


Chart 2. Pre-test of Precollege Student Motivation in School

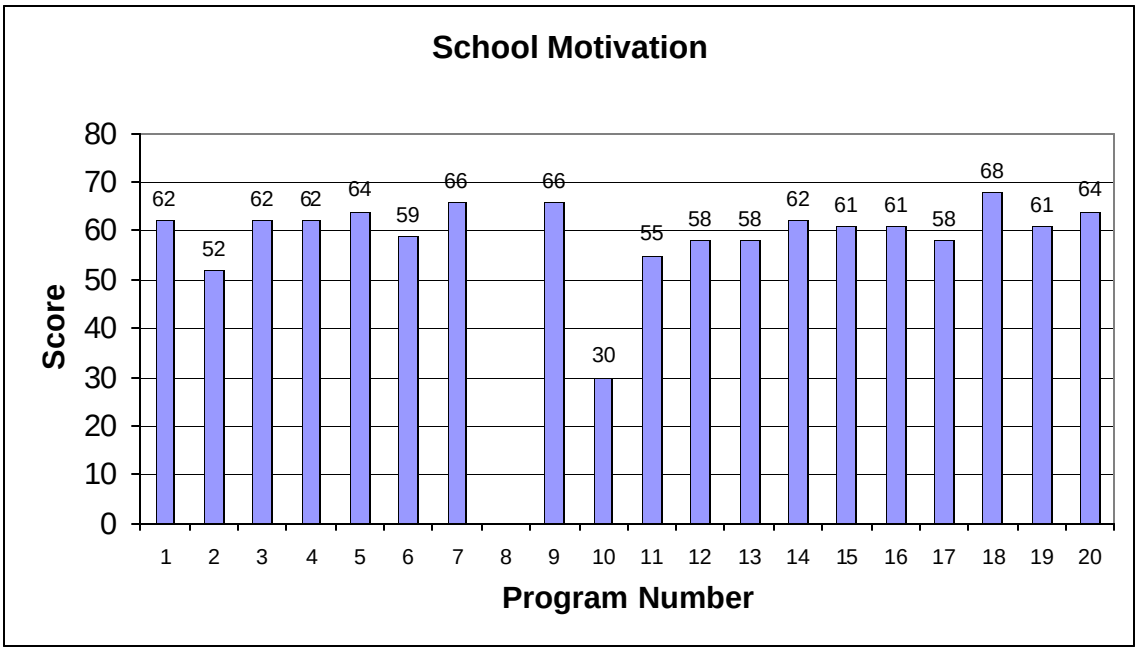
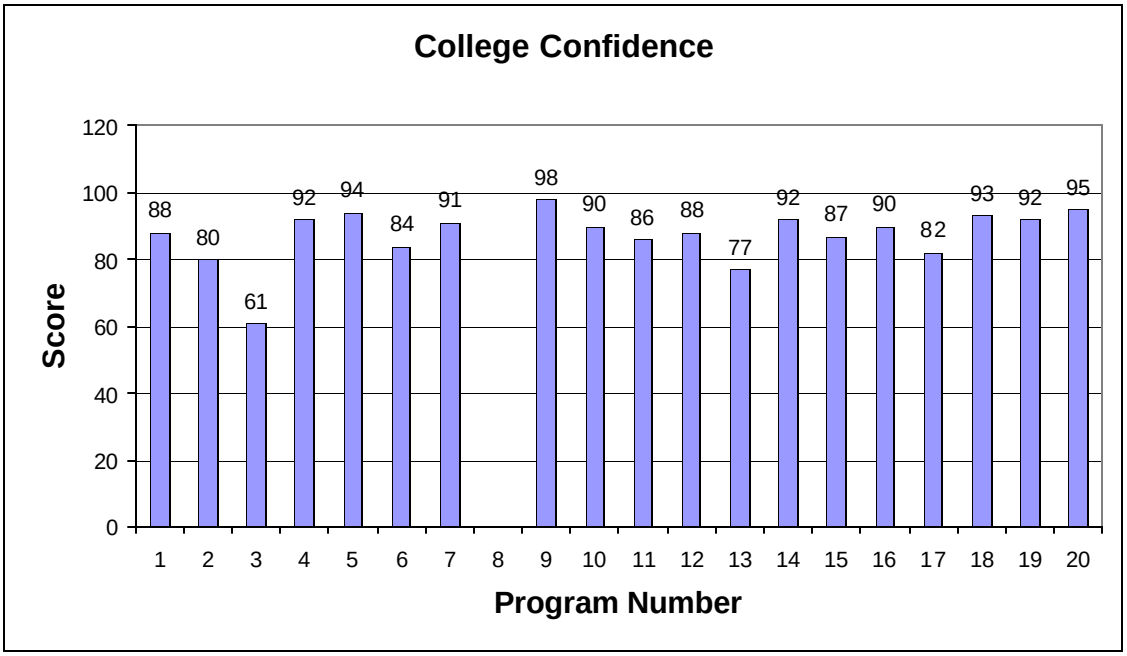


Chart 3. Pre-test of Precollege Student Confidence of Collegiate Success



While some programs attract students who score highly in one of the three affective aspects, only groups 9 and 18 did so consistently across subscales. In future assessments,

we will use these results as a benchmark for the level at which we want our targeted students to perform.

Pre-test/Post-test Results. Did student attitudes change as a result of their participation in Summer 2002 precollege programs?

Of the 20 programs that administered the Affective Assessment, 7 used a pre-test/post-test approach. In other words, they administered the survey the first day of class and then re-administered the survey on the last day of class. This assessment method is one of the most powerful designs for tracking changes in student behavior or attitudes and represents a value-added approach. The *same* students are administered the same survey at two different points in time, once before and once after the precollege program. Any significant changes in student average scores could be attributed to the students' program experiences because each student controls for him/herself and therefore differences within each student and not between students are measured. The results of the pre-test/post-test comparisons for the 7 programs whose summer assessment is completed are presented in Table 1.

Table 1. Affective Assessment Pre-test/Post-test

Program	Duration	Score Difference?	Significant?*
1	2 weeks residential	yes	no
2	3 weeks commuter	yes	no
3	2 weeks residential	yes	no
4	4 weeks commuter	yes	no
5	2 weeks commuter	yes	no
6	2 weeks residential	yes	no
7	7 weeks residential	yes	yes

*Note. Significance indicates a 95 percent certainty that the scores changed. This calculation takes into account the magnitude of change in scores.

Interestingly, the only program for which student average scores reliably changed during the course of the summer precollege program was Program 7, which lasted seven weeks and was a residential program. This may be indicative of the required length of time necessary for measuring a change in student attitudes regarding college. Student average scores on the college attitudes subscale were significantly higher at the end of the seven weeks as were their average total scores (combined scores on all three subscales). This indicates that students were more positive in their attitudes toward college.

Precollege Participation Results. Do students who have previously attended precollege programs have more positive attitudes toward college than students who have not?

To answer this question a comparison between two different groups of students was performed. Student average scores in two different programs were aggregated and placed into two categories: Group 1 represented students who had no prior precollge program exposure; Group 2 had attended at least one other UW System precollege

program. Group 2 students could have participated in just one other precollege program or could have attended many others. A comparison of subscale and total scores on the affective survey between the two groups reveals that Group 2 (prior participation group) scored higher on all subscales and significantly higher in confidence of success in college ($t=-2.86$, $p<.01$) and average total score ($t=-2.23$, $p<.03$). In addition, as the number of prior programs increases, student confidence subscale and total scores increase (confidence $r=.30$, $p=.01$; total, $r=.27$, $p=.03$). These results indicate that prior participation in precollege is associated with a more positive overall disposition toward college and, in particular, a students' confidence that he/she will succeed in college. Furthermore, the more precollege programs a student participates in, the greater the positive impact on their level of confidence regarding collegiate success.

Summary and Limitations of Affective Assessment.

The affective survey results from Summer 2002 indicate that the UW System precollege programs that were assessed are having a positive impact on targeted youth in Wisconsin. The survey instrument used this summer will be modified based upon statistical analyses and feedback from precollege personnel to make it as sensitive as possible to student developmental changes. Even without improvement, the survey instrument demonstrated good reliability and sensitivity to the target population.

Procedural factors necessarily limit the generalizability of pilot findings. First, the assessment process did not reflect a random sample of the 88 programs for targeted students. In addition, the process requires refinement to enhance the accuracy and reporting of salient student demographics. Because of incomplete demographic data, the number of pre-test responses matched to post-test responses were low. As a result, the magnitude of the impact on student average scores needed to be relatively large in order to be found statistically significant. These issues will be addressed in the next round of assessment.

Academic Assessment

Some of the targeted programs assess students' development of academic knowledge and/or skills during the course of their participation in a precollege program. While there are other programs that conduct assessment, this section reports assessment data on four programs, using a case study method to illustrate how academic assessment can be structured. In some instances, the programs have been conducting evaluative and improvement oriented assessment on their own; in other cases, program personnel are currently working with the precollege analyst to devise an assessment that is geared specifically to their program.

The four assessment examples follow. Examples 1 – 3 outline program-specific targeted assessment and example 4 demonstrates the use of impact data for program evaluation.

1. **Youth Enterprise Academy (YEA) at UW-Milwaukee**.

This two week (30 hour) commuter program focuses on providing Milwaukee Public School ninth- and tenth-grade students with skills and knowledge in money management, being successful in college, selecting a career, and understanding the fundamentals of a market economy. It qualifies for DPI Precollege Minority scholarship and is classified by DPI as skill-building, career exploration, and enrichment. The main subject areas for the program are economics and personal finance. "The overall goal of the Youth Enterprise Academy is to improve the economic and financial education of Milwaukee youth. Specifically, we strive to improve students' knowledge of economics and knowledge of personal finance. As a result of improved knowledge, we expected that students' attitudes toward market systems would be significantly improved."[25]

Activities

"Three types of content were emphasized in the program. First, students studied personal finance. Students participated in several activities that stressed saving, investing, credit, and the importance of getting a good education. Students played the role of stock analysts and studied two-three companies using the National Association of Investors Corporation Checklist and the Internet to make recommendations about whether a hypothetical client should buy, hold, or sell the stocks in each company. Second, the course emphasized basic economics. Students participated in several activities to learn such basics as scarcity, opportunity cost, the laws of supply and demand, price, shortages, surpluses, basics of monetary policy, and how to reason economically. Finally, students developed leadership skills. Students examined career options, what courses to take now to get ready for college, and how to finance a college education. Using the Internet, students visited the web pages of numerous colleges and examined various academic majors, tuition costs, and so forth."[23]

Population

"Twenty-three Milwaukee 9th and 10th grade students from Bay View, Custer, Hamilton, King, Milwaukee School of the Arts, North Division, Riverside, and Washington participated in the program. All students were from families of low and moderate income and most were minority."[23]

Results

Before and after the program, tests of student knowledge of basic economics and personal finance were conducted.

Table 2. Pre- and Post-Test Scores on Items From the Basic Economics Test and the Test of Personal Finance

Test Administration	Average Score
Economics Pre-test:	69.9%

Economics Post-test	86.7%
Personal Finance Pre-test	59.5%
Personal Finance Post-test	75.7%

Table 3. Summary of Test Statistics for Improvements in the Basic Economics Test and the Test of Personal Finance

Test	Change in Average Score	Significant?
Economics Test	17%	yes
Personal Finance Test	16%	yes

Tables 2 and 3 indicate that YEA students scores, on average, were significantly greater in the post-test than the pre-test: For the economics post-test, scores were 17 percent higher and on the personal finance post-test scores were 16 percent higher than pre-test scores.

2. **Residential Reading Camp at UW-Milwaukee**.

This two week residential program provides an opportunity for students in grades six through eight "to get excited about reading."[24] The Summer 2002 session was expanded by one week in response to student comments and represents the second time the program was administered. The program qualifies for DPI Precollege Minority scholarship and is classified as skill-building. A total of 50 students participated in the Summer 2002 session and 100 percent of these were targeted students.

In addition to "getting excited about reading," Reading Camp goals included enhancing student reading and writing skills in interactive class settings. Students participated in art, dance, and theater experiences as well as field trips and other activities. In addition, students explored career and educational opportunities. Other goals focused upon the development of personal responsibility and leadership skills.

In addition to individualized student assessment, a group pre-test/post-test assessment of student interest in reading was administered. This survey-type instrument consisted of 42 declarative statements to which students indicated either agreement or disagreement. The survey instrument demonstrated very good reliability (.89) indicating that scores are likely stable and group generalizations can be supported. While student average scores were slightly higher in the post-test than the pre-test, they were not significantly different. A follow-up survey of a sample of the students will be administered in the coming months to identify whether a two-week time frame was too short to reveal changes in interest level. In addition, reading level changes for Reading Camp students will be recorded.

2. **Summer Science Institute at UW-Madison**.

In this seven-week residential program coordinated by the Center for Biology Education, students gain an understanding of biological research by designing and

implementing a research project. Skills in writing, reading, math, and information technology are enhanced in the context of biological disciplines. Enrollment priority is given to minority, first-generation or disadvantaged students, and students from rural Wisconsin who may lack access to similar programs. Limited travel funds may be available for students who request assistance. Students in grades 9-12 are eligible and many students return the following year. For the Summer 2002, 19 new students enrolled. Of the 27 total students, 81 percent (22) were targeted students. This program qualifies for DPI Precollege Minority scholarship and is classified by DPI as skill-building and enrichment.

Activities in the program include writing, data analysis, information technology, diversity and equity discussions, admissions, financial aid, study skills, time management workshops, and research assignments. Students are expected to write a one page response to the question, "What does it mean to be a scientist?" Students are also required to make a summary poster of their research project in the first few weeks of class. This poster includes a summarization of the research literature and methodologies. At the conclusion of the class, students draft a scientific research paper that is included in the Summer Science Research Journal. Throughout all research activities, students are actively mentored by faculty, college students, and peers.

Currently, the assessment activities for this program are in the developmental phase. In addition to doing a pre-test/post-test of the affective survey, other assessment procedures have been initiated. A rubric is being created for both the one-page writing assignment and for the poster and research paper assignments. In addition, student evaluations of the program over the past few years will be aggregated and content-analyzed. A new objective measure based upon the results of the content analysis will be piloted in the Summer of 2003. The results of the affective assessment revealed increased student confidence of collegiate success and were presented in Table 1 in the "Affective Assessment" section of Part II (the Summer Science Institute Program is program number seven).

3. **Precollege Enrichment Opportunity Program for Learning Excellence (PEOPLE) at UW-Madison.**

The PEOPLE program is unique in the UW system in that, consistent with the federal GEAR-UP model, it targets students as early as sixth grade and provides services for those students through high school, culminating in a bridge program for high school graduates entering a postsecondary institution.

"PEOPLE was established in Summer 1999 as a pipeline program to prepare and encourage minority and/or disadvantaged high- and middle-school students with strong academic potential to apply and be admitted to the UW-Madison. The program represents a partnership between the University, the Milwaukee Public Schools, and the Madison Metropolitan School District. PEOPLE students participate in year-round sessions at home and at UW-Madison, focusing on academic skills and enrichment activities. By the Summer of 2002, there were 500 students enrolled in the program

(260 middle school students in Madison and 240 high school students in Milwaukee). Enrollment is anticipated to grow to approximately 700 in 2003."[25] During the Summer of 2002, 43 of the first cohort of PEOPLE students completed the program. Of the original 66 students in the cohort, 55 are currently enrolled in a postsecondary institution; 24 are enrolled at UW-Madison; six are at other UW system schools; and six have transferred out of the Milwaukee School District.

Summary of Summer 2002 Precollege Assessment

Valuable information was obtained from the Summer Assessment Pilot. The affective portion provided a benchmark for student attitudes, confidence, and motivation. Additionally, it provided information regarding optimal program duration for measurement. At the program level, salient feedback about student experiences was collected. On the academic side, a handful of good models for program assessment were identified and/or begun. These models can be replicated throughout the UW System to include each of the programs designed for targeted students.

The instruments utilized will be modified to better suit their purpose and to even more closely match the population of interest. In the meantime, subscales on the affective assessment demonstrated that scores were psychometrically distinct enough to be modeled separately. This provides an opportunity to use subscale scores in future longitudinal modeling of precollege participation that will test the theoretical structures underlying programming decisions.

Next Steps

With the program evaluation goal of the assessment process begun, attention must be given to the longitudinal tracking to measure the impact of precollege program goals. At the inception of the longitudinal assessment process baseline information, such as that collected this past summer, will be used to gauge student growth. The strength of the link between motivation and academic success will be investigated. Tracking student cohorts with the benefit of program participation data, academic outcome data, affective outcome data, high school coursework information, high school graduation, and post-secondary enrollment information will permit measurement of the impact of precollege programs on Wisconsin youth. Using the lens of anticipated student outcomes, longitudinal modeling of precollege program content and student characteristics will reveal the most effective program models and frameworks. These features can then be replicated throughout the UW System.

Longitudinal tracking of students to measure the impact of precollege must necessarily begin with accurate and complete recording of student data. Within Wisconsin a number of agencies are beginning to work in concert with one another to provide a more complete picture of student precollege involvement than that offered by any single source alone. Among the sources of precollege student information are the Multicultural Center for Educational Excellence (MCEE, a UW System office) database,

DPI Precollege Scholarship database, UW System campus databases, and GEAR UP grantee databases. The UW System and DPI have developed a data-sharing agreement, and partnerships are in the process of being formed with the other entities.

ONE-WEEK PROGRAMS

Campus/Program	Population	Duration	Learning goals and outcomes	DPI Classification[1]	Subject(s)
UW-Barron County Summer Precollege	Grades 5-6 D or SOC[2]	5 days commuter	Skill-building and enrichment in academic areas	Skill-building Enrichment	Mathematics Science Language Arts
UW-Eau Claire 23rd Annual Science Institute	Grades 6-11 GPA[3] Test Scores Recommendation	5 days commuter	Enhance student knowledge & understanding of science disciplines. Exposure to scientific research Application to life	Skill-building Career Exploration Enrichment	Academic areas related to science (38)[4]
UW-LaCrosse Girls in Science	Grades 6-8 Female Midwest Talent Search or Top 50% of Class	2 days commuter	Knowledge of scientific fields Problem solving in science		Academic areas related to science (14)[4]
UW-Milwaukee Poetry Without Walls	Grades 6-12	5 days commuter	Enhance reading and writing skills	Skill-building Career Exploration Enrichment	Poetry
UW-Milwaukee Preparing Future Educators	Grade 9	5 days commuter	Increase awareness of education careers Motivation to pursue a career in education Membership in educational academic interest group		Career Exploration Active Mentoring
UW-Platteville Career Exploration	Grades 6-9 D or SOC[2]	5 days commuter	Knowledge of careers Academic skill enhancement	Skill-building Enrichment	Academic Areas Study Skills
UW-Platteville Leadership	Grades 9-11 D or SOC[2]	5 days	Academic skills enhancement	Skill-building Enrichment	Rope Courses Workshops

			Enhanced leadership skills Team building skills		Team Building Academic Areas
UW-Stevens Point L.E.A.D. Community Problem Solving & Leadership Seminar	Grades 8-11 D or SOC[2]	5 days commuter	Effective problem solving Small group participation/communication Knowledge of community problems	Skill-building Enrichment	Communication Drug Prevention Problem Solving
UW-Stout Precollege Summer Program	Grades 7-12 D or SOC[2]	5 days commuter	Knowledge of careers Academic skills enhancement Enhance listening skills Enhance identity development Knowledge about tourism Learn to prepare meals	Skill-building Enrichment	Academic Areas (7) [4] including Math and Writing Cook Culture Health
UW-Superior Youth Summer	Grades 8-12 D or SOC[2]	5 days commuter	Knowledge about careers in arts, sciences, and computer	Skill-building Career Exploration Enrichment	Math Science Business Career
UW-Whitewater ACT Camp	Grades 10-11	5 days commuter	Enhance test taking skills, particularly ACT	Skill-building	Academic Standardized Testing
UW-Green Bay Young Writers' Workshop	Grades 6-8 D or SOC[2] Interest and talent in writing	5 days residential	Enhance writing skills through exercises and review sessions	Skill-building Career Exploration Enrichment	Academic, Creativity, Journalism, Language Arts, Poetry, Reading, Writing

Notes.

1. Department of Public Instruction classification. An entry here indicates that the program is approved for DPI Precollege Minority Scholarship students.
2. D or SOC refers to disadvantaged or students of color. While programs may be targeted for D and SOC students, any student may apply.
3. GPA refers to grade point average. Some of the programs place qualifications on the students academic record as perquisites for enrollment.
4. The number in parentheses refers to the number of subject areas included in the program.
5. These students have been identified by their school teachers and recommended for the program.
6. Disadvantaged here refers to low-income or first-generation college students.

TWO-WEEK OR MORE PROGRAMS

Campus/Program	Population	Duration	Learning goals and outcomes	DPI Classification[1]	Subject(s)
UW-Milwaukee Academic Essentials	Grades 6-8	10 days commuter	Educational enhancement of academic skills: reading, writing, and math	Skill-building	Math Reading Writing
UW-Green Bay Multicultural Middle Level Precollege Program	Grades 7-9 D or SOC[2]	12 days residential	Enhancement of academic skills Motivation to complete high school Post-secondary enrollment consideration	Skill-building Enrichment	Math Science Language Arts Writing Study Skills Culture English Proficiency
UW-Madison College for Kids	Grade 6 Recommendation High Motivation	15 days commuter	Enhance creative thinking, team building, and problem solving	Enrichment Skill-building Career Exploration	Arts and Humanities Physical Sciences Biological Science Social Sciences
UW-Madison Summer Science Institute	Grades 9-12 D or SOC[2]	7 weeks residential	Knowledge of biological research Design & implementation of research Enhance reading, writing, math, and information technology skills	Skill-building Enrichment	Academic areas related to science Study Skills Writing Reading Research

UW-Milwaukee Student Success Program	Grades 9-12	6 weeks summer & academic year commuter	Motivation to graduate from high school Motivation to enroll in post-secondary ed Enhance academic skills	Skill-building Career Exploration Enrichment	Math, Reading, Science, Study Skills, Psychology, Writing, Engineering, Architecture, Career, Language
UW-Milwaukee College for Kids	Grades K-12 Geared to high academic potential[5]	10 days commuter	Enhance academic skills through enrichment	Enrichment	Academic Areas (75) [4]
UW-Milwaukee Residential Reading Camp	Grades 6-8	2 weeks residential	Enhance academic skill in reading and writing Increase knowledge of education Develop leadership and personal responsibility	Skill-building	Reading Arts Leadership Personal Responsibility
UW-Milwaukee Youth Enterprise Academy	Grades 9-12	2 week commuter	Increase knowledge of personal finance, college, selecting a career Understand the fundamentals of market economics	Skill-building Career Exploration Enrichment	Economics Personal Finance
UW-Oshkosh Precollege Enrichment Program	Grades 8-12 D or SOC[2]	2 weeks residential	Enhance academic skills in preparation for college Enhance student development	Skill-building Enrichment	Career, Computer, English, Math, Nutrition, Science, Study Skills, Writing
UW-Stevens Point English for College	Grades 9-12 ESL	4 weeks residential	Enhance facility with English speaking, reading, and writing	Skill-building	Career English Language

			skills		Reading, Writing, Study Skills
UW-Whitewater Gear Up Camps	Grades 6-7 First generation or disadvantaged[6]	2 weeks residential	Gain basic research skills in math, science, technology & present research Enhance analytical, reading & writing skill		Math Research Science Technology
UW-Green Bay Las estrellas del futuro (Stars of the Future)	Grades 7-9 D or SOC[2]	2 weeks residential	Enhance English proficiency through reading, writing, and a bilingual project	Skill-building Career Exploration Enrichment	Academic, Communication, Language Arts, Reading, Spanish, Technology, Video, Writing

Notes.

1. Department of Public Instruction classification. An entry here indicates that the program is approved for DPI Precollege Minority Scholarship students.
2. D or SOC refers to disadvantaged or students of color. While programs may be targeted for D and SOC students, any student may apply.
3. GPA refers to grade point average. Some of the programs place qualifications on the students academic record as perquisites for enrollment.
4. The number in parentheses refers to the number of subject areas included in the program.
5. These students have been identified by their school teachers and recommended for the program.
6. Disadvantaged here refers to low-income or first-generation college students.

ENDNOTES

1. McDonough, 1997
2. ERIC, 2000; Perna, 2002
3. Cabrera and LaNasa, 2000
4. ERIC, 2000; Cooper, Paisley & Phelps, 1998; Cabrera & LaNasa; Gandara & Maxwell-Jolly, 1999
5. Cooper, Paisley & Phelps, 1998
6. Jun & Tierney, 1999; Horn & Chen, 1998
7. Institute for Higher Education Policy, 2001
8. Fenske, Gerantos, Keller & Moore, 1997
9. ERIC, 2000; Cooper, Paisley & Phelps, 1998
10. Jun & Tierney, 1999; ERIC, 2000
11. Gandara & Maxwell-Jolly, 1999
12. Fashola & Slavin, 1997
13. Cabrera & LaNasa, 2000; Choy, 2000
14. Adelman, 1999
15. ERIC, 2000
16. Olstad, Juarez, Davenport, & Haury, 1981; Cooper, Paisley & Phelps, 1998; Johanson & Vopava, 1985; McElroy & Armesto, 1998
17. Johanson & Vopava, 1985; McElroy & Armesto, 1998; Olstad, Juarez, Davenport, & Haury, 1981
18. Johanson & Vopava, 1985
19. ERIC, 2000
20. ERIC, 2000; Fenske, Gerantos, Keller, &Moore, 1997
21. McElroy & Armesto, 1998
22. ERIC, 2000; McElroy & Armesto, 1998
23. Youth Enterprise Academy 2002 (Annual Report to Bradley Foundation)
24. Residential Reading Camp (Registration Form)
25. Achieving Excellence at UW-Madison (Institutional Accountability Report) with updated numbers.

NEW PROGRAM AUTHORIZATION
M.S. Health Care Informatics
UW-Milwaukee
(Initial Review)

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the procedures outlined in Academic Planning and Program Review (ACIS-1.0 revised), the new program proposal for a Master of Science in Health Care Informatics is presented to the Board of Regents for initial review. As stipulated by ACIS-1.0 revised, this program proposal will be on the agenda for the December meeting for a second review, at which time UW System Administration will recommend that the Board of Regents take action authorizing the Chancellor to implement the program. If approved, the program will be subject to a regent-mandated review to begin five years after its implementation. UW-Milwaukee and System Administration will conduct that review jointly, and the results will be reported to the board.

Over the last ten years, the health care industry has experienced tremendous growth and come to rely upon computerized information systems. These systems collect and maintain patient demographic and medical information, record test results, transmit physician orders, generate hospital bills, and produce administrative reports. The growth in the health care industry has created a demand for professionals with advanced training in health care delivery systems, systems analysis and design, computer networking, and health care computer system procurement and management. The proposed program is designed to meet this demand. It will draw on the experience and expertise of several UW-Milwaukee disciplines: Computer Science in the College of Engineering and Applied Science; Health Care Administration and Informatics (HCA&I) in the College of Health Sciences; Management Information Systems in the School of Business Administration; and the School of Information Studies.

REQUESTED ACTION

No action requested at this time.

DISCUSSION AND RECOMMENDATIONS

Program Description

The program will require a total of 35 credits. Full-time students will be able to complete the degree in two years; part-time students will be allowed five years for completion. Students will be expected to have a strong foundation in microcomputer skills, health care delivery systems, human pathophysiology of disease, and statistics. Those who do not have these skills upon entry will take up to 15 additional credits to provide this foundational knowledge. Students will be required to take at least one course in each of nine content areas including Systems Analysis and Design, Project Management, Network Design/Telecommunications, Healthcare Applications, and

Technology Procurement. Students will have a choice of whether to complete a project or a thesis. Fieldwork experiences will be available in health care organizations in Southeastern Wisconsin, and across the state. These organizations will also be the sites for student projects and thesis opportunities.

Program Goals and Objectives

The primary academic objectives of the program are: To educate graduates who are knowledgeable and can apply their skills to planning, analyzing, implementing and maintaining information systems in a variety of health care organizations; to provide opportunities for students and faculty to engage in multidisciplinary research and the generation of new knowledge; to disseminate knowledge and provide service through the management, design, integration and evaluation of health information systems; to fulfill existing and anticipated workforce needs in the state and to secure extramural support through research and training funds.

Additional specific goals for this program include the following measurable outcomes: more than half of admitted students will have graduated within three years; ninety percent of student course evaluation scores will average 4-5 on a five-point scale; ninety percent of program graduates will be employed in jobs related to their degree within a year following graduation; after the first year, program enrollment will average 20 students; and the program will successfully complete the five year review by UW-Milwaukee's Graduate Faculty Council and the joint five year review by UW-Milwaukee in collaboration with UW System Administration.

Relation to Institutional Mission

The proposed program exemplifies UW-Milwaukee's mission as outlined in the *Core Mission of the Doctoral Cluster* and *Select Mission of the University of Wisconsin-Milwaukee*. Specifically, the program addresses the goals of offering professional graduate degrees appropriate for a major urban doctoral university, engaging in research that will enhance UW-Milwaukee's academic and professional excellence, and establishing productive relationships with public and private organizations that will promote the economic development of the state. The proposed program is also well aligned with the strategic goals identified in UW-Milwaukee's *Milwaukee Idea* and *Investing In UWM's Future*. Both documents call for the development of new graduate programs, the creation of interactive groups of scholars across disciplines, the concentration of faculty in select program initiatives, and the development of partnerships with local and state health care communities. Particular recruitment efforts will be directed to attract minority students, who are under-represented in the health care industry. In addition, this program fits exactly within the Chancellor's academic program priorities to emphasize and enhance the institutional focus on health, education and technology.

Need

The growing sophistication and volume of information technology in all industries has led to a shortage of informatics professionals in healthcare. Federal Bureau of Labor statistics for 2000–2010 indicate that occupations in health care informatics are expected to grow significantly. Specifically, for computer and information systems managers, over 6,300 new positions, or an

increase of 57.2 percent, are anticipated in the Health Services sector. During this same period almost 1,500 new positions, or an increase of 44.6 percent, are anticipated in the Health Insurance sector. Significant growth of new positions in both sectors is forecast for computer system analysts (37.6 percent and 38.9 percent), database administrators (77.7 percent and 97.1 percent), network and computer systems administrators (68.4 percent and 56.3 percent), and network systems and data communications analysts (59.1 percent and 56.3 percent). Opportunities also will arise through turnover within existing positions.

Employment projections from Wisconsin are based upon the 1998-2008 period. The occupational category available was that of systems analyst. Consequently these projections would be a conservative estimate of overall demand. For the Wisconsin Health Services sector, almost 300 new positions, an increase of 75.9 percent, are projected during this period. In the Health Insurance sector, Wisconsin expects 100 new positions, an 81.3 percent increase. Employment projections for Minnesota and Iowa indicate comparable increases to those in Wisconsin.

Comparable Programs in Wisconsin and the Nation

Only one comparable program exists in Wisconsin. The Milwaukee School of Engineering (MSOE) and the Medical College of Wisconsin (MCOW) have instituted a joint Master of Science in Medical Informatics. The MSOE/MCOW program focuses on patient care systems. The proposed program will be broader, multidisciplinary, and comprehensive, stressing not only clinical but also administrative information systems. There are only six programs outside of Wisconsin that could be considered comparable in that they prepare students for roles in general acute care hospitals, clinics, and long-term care facilities. They are at the University of Alabama-Birmingham, University of Illinois-Chicago, University of Minnesota, University of Missouri-Columbia, University of Texas-Houston, and the University of Victoria.

Collaboration

The program is a collaborative effort between the College of Health Sciences, College of Engineering and Applied Sciences, School of Business and School of Information Sciences. Members of the Southeastern Wisconsin health care informatics community have indicated their willingness to support the educational experience with internships and project work. A community advisory committee of informatics professionals will assist the program.

Use of Technology/Distance Education

Technology is at the core of the program. Students will be immersed in technology and technology-related issues throughout the curriculum. Topics include computer programming and network design, management and procurement, and clinical and administrative health care applications. Each of the participating units supports these offerings with their own computer facilities.

Academic and Career Advising

Upon admission into the program, each student will be assigned a HCA&I graduate faculty advisor. The advisor will assist the student in planning his/her program of study, and in career selection. The program will solicit and maintain a job registry. Job opportunities will be distributed to students and alumni through email reflectors.

Projected Enrollment

The program will target health and medical personnel, and information systems professionals such as those with backgrounds in computer science, library and information science, and management information systems. A conservative enrollment estimate is approximately 20 students enrolled in the program at any one time. The expectation is that half of the students will be working and enrolled part-time.

Year	1st Year	2nd Year	3rd Year	4th Year	5th Year
New Students Admitted	10	10	10	10	10
Continuing Students		8	12	12	10
Total Enrollment	10	18	22	22	20
Graduating Students	0	4	8	10	10

Assessment and Program Evaluation

The program evaluation process will review how well the program has met the specific outcomes listed under Program Goals and Objectives (p. 2). Additional methods used to assess and evaluate program success will include tracking student inquiries, admission and graduation rates; reviewing assessments from student course evaluations and feedback from student focus groups; conducting alumni follow-up surveys; and seeking program faculty and advisory committee input. The recruitment, admission, and graduation data will help profile student populations for marketing purposes. Data from course evaluations and focus groups will give timely feedback on curricular matters, program administration issues and any other concerns of enrolled students. Alumni, advisory committee and faculty reviews will help keep curricular content current.

Evaluation from External Consultants

Three national consultants provided positive evaluations. One stated, "Overall, the proposal is well conceived, comprehensive and convincing. The program described should assist the health care industry in addressing its serious shortage of well-trained and skilled health care information technology professionals… The program will serve the industry and students well." Another states, "The program has been developed in response to recognized needs in the health care industry at both local (Wisconsin) and national levels. Further, the proposed program has been designed to take full advantage of the experience and expertise residing in several existing University of Wisconsin-Milwaukee departments."

Resource Needs

The program is being supported through new GPR from the Milwaukee Idea Information Professions initiative and allocation of tuition resources using the standard UW-Milwaukee formula. These funds will be used to hire 2.5 new faculty for the program. The College of Health Sciences, the College of Engineering and Applied Sciences, the School of Business Administration, and the School of Information Studies are also providing resources for the program. Budget estimates are conservative and based on tuition resources that would accrue with the enrollment prediction of 20 students taking only 15 credits/year.

	FIRST YEAR		SECOND YEAR		THIRD YEAR	
CURRENT COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel						
Fac/Acad Staff	1.5	$97,000	1.5	$99,425	1.5	$101,910
Classified Staff	.5	$13,000	.5	$13,325	.5	$13,658
Non-personnel						
S&E		$3,000		$3,000		$3,000
Subtotal		$113,000		$115,750		$118,568
ADDITIONAL COSTS)						
Fac/Acad Staff	1	$55,000	2	$110,000	2.5	$147,500
Grad Assist/Fellows				$50,000	1	$50,000
Classified Staff			.5	$13,000	.5	$13,000
Non-personnel						
S&E		$6,500		$10,000		$10,000
Library		$1,000		$1,000		$1,000
Grad Fellowships		$25,000		$25,000		$25,000
Software				$50,000		
Subtotal		$87,500		$259,000		$246,500
TOTAL COSTS		**$200,500**		**$374,750**		**$365,068**
CURRENT RESOURCES						
GPR		$113,000		$115,750		$118,568
Subtotal		$113,000		$115,750		$118,568
ADDITIONAL RESOURCES						
New GPR		$45,350		$114,700		$152,200
UWM Fellowship				$10,000		$10,000
Donated Software				$50,000		
Tuition Revenue		$42,150 (10 students x 15 credits x $281)		$84,300 (20 students x 15 credits x $281)		$84,300 (20 students x 15 credits x $281)
Subtotal		$87,500		$259,000		$246,500
TOTAL RESOURCES		**$200,500**		**$374,750**		**$365,068**

RECOMMENDATION

No action requested at this time.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review (November 10, 1995), Academic Informational Series #1 (ACIS-1.0 revised)

Program Authorization (Implementation)
B.S., Biochemistry
University of Wisconsin-Milwaukee

EDUCATION COMMITTEE

Resolution I.1.e.(1):

That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.S. in Biochemistry.

NEW PROGRAM AUTHORIZATION
B. S. in BIOCHEMISTRY
UW–MILWAUKEE
(IMPLEMENTATION)

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the procedures outlined in Academic planning and Program Review (ACIS-1.revised), the new program proposal for a Bachelor of Science in Biochemistry is presented to the Board of Regents for implementation. If approved, the program will be subject to a regent-mandated review to begin five years after its implementation. UW-Milwaukee and UW System Administration will conduct that review jointly, and the results will be reported to the Board of Regents.

The UW-Milwaukee Department of Chemistry currently offers a major in chemistry and the American Chemical Society-approved chemistry degree program. The chemistry major has two options: a standard chemistry option and a biochemistry option. The proposed B.S. in Biochemistry program will build on this existing structure and on the expertise of the chemistry faculty.

REQUESTED ACTION

Approval of Resolution I.1.e.(1), authorizing implementation of the B.S. in Biochemistry, UW-Milwaukee.

DISCUSSION

Program Description

The biochemistry major will offer UW-Milwaukee students comprehensive preparation for a career in biochemistry research in either industry or academia. Students will complete a total of 101 credits for the degree (120 for graduation) including 27 in chemistry, 13 in biochemistry, 14 in biological science, 10 in mathematics, 10 in physics, and 27 in general education requirements. The required mathematics courses emphasize models and applications and include a calculus survey course to furnish fundamental concepts that are routinely applied in biochemical investigation. All students will be required to complete research-intensive courses. Depending on their career goals, students will have the option to tailor their degree toward a biochemical, a biomedical, a cell biological, or a molecular biological emphasis through electives in the biology department and their choice of research advisor in the chemistry department.

Program Goals and Objectives

- To provide the residents of southeastern Wisconsin with a curricular option capable of providing qualifications for a career in a growing field of endeavor in industry and academia;

- To provide quality instruction for students seeking careers in biotechnology, biochemistry and molecular biology;
- To provide opportunities for students to develop expertise in specific areas of research and develop competencies in a range of experimental techniques;
- To further enhance undergraduate research within the Chemistry Department; and
- To produce quality graduates who showcase UW-Milwaukee in the biotechnology arena.

Relation to Institutional Mission

The proposed program is responsive to the following three parts of the UW-Milwaukee Mission Statement:

> "To fulfill its mission as a major urban doctoral university and to meet the diverse needs of Wisconsin's largest metropolitan area, the University of Wisconsin-Milwaukee must provide a wide array of degree programs, a balanced program of applied and basic research, and a faculty who are active in public service.
>
> To develop and maintain high quality undergraduate, graduate and continuing education programs appropriate to a major urban doctoral university.
>
> To establish and maintain productive relationships with appropriate public and private organizations at the local, regional, state, national and international levels."

Need

There is an ongoing need for universities to prepare graduates proficient in biological chemistry. The Bureau of Labor Statistics predicts a 35 percent increase nationally in biochemical scientist positions in the next ten years. This rate of growth exceeds the average rate of growth for all other professions. It is projected that total job openings nationwide between 2000-2010 will be 85,000.

The most recent Wisconsin projections are for 1998-2008. Projected growth rates for biotechnology occupations are comparable to or greater than national growth rates. In particular, Medical and Clinical Laboratory Technician and Biological Scientist categories will increase 47 percent and 36 percent respectively. The southeastern part of Wisconsin is expected to have a large share of these new positions. It is projected that Milwaukee County will experience one-third of the projected growth for Wisconsin: 80 new positions for Biological Scientists, and 120 new positions for Medical and Clinical Laboratory Technologists.

Strengths and Unique Features

One of the unique features of the proposed major is the opportunity for students to enroll in biochemistry courses early in the degree program, which allows the major to include a greater number of biochemistry courses than programs elsewhere. This provides a pedagogical advantage in that it reinforces foundational concepts, in addition to allowing an expanded range of topics to be presented.

The mathematics requirement, described above, directs students to focus on the application of mathematics to real-world problems. The required research component is another strength of the program. Students need an understanding of the nature and difficulty of basic research to appreciate fully the expectations of future employers. This requirement will be a distinct advantage to graduates, as it will give them access to equipment, facilities, and techniques generally not employed in laboratory classes.

Accreditation

The requirements of the proposed program closely match the recommendations of the Federation of American Societies for Experimental Biology and the American Society for Biochemistry and Molecular Biology for the academic content of biochemistry majors. However, neither of these organizations offers formal accreditation of a curriculum.

Comparable Programs

There are opportunities to secure a B. S. in Biochemistry outside Wisconsin. Institutions in Michigan and Illinois offer biochemistry degrees. There is a program at the University of Minnesota, which offers reciprocity for UW System students. In Wisconsin, UW-Madison and UW-Eau Claire have biochemistry programs. The UW-Madison program is highly regarded, but the difference in institutional mission and the local and national growth of the biotechnology industry makes it appropriate to provide additional capacity. UW-River Falls offers a major in biotechnology. Outside the UW system, Marquette University offers a major in molecular biology.

Collaboration

While no explicit plans exist at this time, preliminary discussions with faculty at UW-River Falls concerning collaboration on some aspects of the program have taken place. One potentially beneficial option would be to record and offer systemwide lectures by invited faculty to our colloquium or distinguished speaker series. UW-Milwaukee and UW-Madison often host eminent scientists whose lectures could potentially inspire students on all system campuses. We also anticipate working with UW-Madison to implement, where feasible, collaborative distance education opportunities that build on the mutual strengths of our two faculties.

Use of Technology/Distance Education

The Chemistry Department has a full array of learning technology available. Our McFarland Learning Center has over 40 PC-Workstations, equipped with software for chemistry tutorial, molecular structure, and laboratory analysis. Database comprehension and use are becoming pivotal in modern biochemistry. The explosion of data from genome projects and structural analysis has greatly expanded our understanding of many biological phenomena and promises to yield many more discoveries. Students will need to understand how to access and analyze the data from these resources. Upper level biochemistry courses will include a computer research component designed to make students aware of these resources. In addition, students will have access to state-of-the-art technologies in the required research component of the curriculum. Members of the biochemistry faculty in the chemistry department all have active

research programs. The techniques employed in these laboratories cover the full range of biochemical investigation, from tissue culture, enzymology and molecular biology, to a full range of spectroscopes.

While preliminary evidence from science education research suggests that upper level science courses are generally not well-suited to internet delivery, the UW-Milwaukee chemistry faculty appreciates the need to make programs efficient. Due to the iterative nature of delivering higher-level concepts to students, upper level biochemistry courses will be taught solely within the chemistry department. However, foundation concepts can be delivered to the students with some success via the internet. At this time, the introductory/survey biochemistry course, Chemistry 501, is available on the following URL: http://alchemy.chem.uwm.edu/classes/chem501/index.html.

Academic and Career Advising

The Chemistry Department has an academic advising sub-committee composed of faculty and academic staff. More importantly, because this new major requires undergraduate research, faculty research mentors serve as important advisors for students, particularly in terms of career opportunities in research. The UW-Milwaukee Career Counseling service also provides both general advice and career related information to all UW-Milwaukee students.

Enrollment Projections

There is a strong demand for the new major at UW-Milwaukee. In the past eight years, 42 out of a total of 87 UW-Milwaukee chemistry graduates have taken the biochemistry option and the available data indicate that 85 percent of these currently are employed in a biological field. UW-Milwaukee students and students from other institutions regularly express interest in a biochemistry program. While it is difficult to gauge what this interest will translate into annually in terms of majors, it is expected that as many as 20 students will graduate with a major in biochemistry on an annual basis within five years of the program's inception.

Year	2002-03	2003-04	2004-05	2005-06	2006-07
New students admitted	5	5	10	15	20
Continuing students	5	9	11	14	24
Total enrollment	10	14	21	29	44
Graduating students	0	0	5	5	10

Assessment and Program Evaluation

Since biological chemistry is a rapidly evolving discipline in which techniques are constantly improved and quickly adopted by researchers, it is the intent of the chemistry department to make the UW-Milwaukee biochemistry program responsive to these changes. Initially, data will be collected on two fronts. Exit interviews with graduating students will be conducted to assess the student perception of the curriculum. Students will be asked to fill out a brief questionnaire and express their opinion as to the value of the major. At that time, a means of future contact will be obtained so that tracking of the careers of graduates will be possible as one method of assessing the value of the

program. Follow-up surveys after students have been in graduate programs or the workforce for at least two years will be sent out to the students and their employer, in an attempt to determine how the education provided by this institution has met the needs of the workplace. Once compiled, this data will be assessed by the department's undergraduate subcommittee and recommendations will be then made to the Biochemistry faculty to tailor their syllabi and, if necessary, the curriculum to increase the value of the program to the graduate.

Evaluation from External Consultants

The comments from the external reviewers of the proposed program were supportive of the implementation plan. One reviewer noted, "Overall it is clear that this proposal is one that should be adopted, either in its present form, or with minor modifications, as needed." A second reviewer stated, "Overall, this looks like a strong course of study." This individual specifically pointed to the mathematics and physical chemistry as strengths of this proposal. The reviewers also made some valuable suggestions for improvement. These will be adopted as we implement the proposed biochemistry program and adjust the existing chemistry major.

Resource Needs

No new resources are required to support this program. As indicated in the table below, the resources required are already in place. These resources are currently supporting the biochemistry option within the chemistry major.

Estimated Total Costs and Income

	FIRST YEAR		SECOND YEAR		THIRD YEAR	
CURRENT COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel						
Faculty / Academic Staff	1.25	$81,250	1.25	$83,688	1.25	$86,198
Graduate Assistants	0.5	$4,898	0.5	$5,039	0.5	$5,211
Classified Staff	0.1	$2,500	0.1	$2,575	0.1	$2,652
Nonpersonnel						
S&E		$2,000		$2,000		$2,000
Library		$700		$700		$700
Computing		$250		$375		$500
Subtotal		**$91,598**		**$94,377**		**$97,261**
TOTAL COSTS		**$91,598**		**$94,377**		**$97,261**
CURRENT RESOURCES						
Allocated: biochemistry option		$91,598		$94,377		$97,261
Subtotal		**$91,598**		**$94,377**		**$97,261**
TOTAL RESOURCES		**$91,598**		**$94,377**		**$97,261**

RECOMMENDATION

The University of Wisconsin System recommends approval of Resolution I.1.e.(1), authorizing the implementation of the B.S. in Biochemistry, UW-Milwaukee.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review (November 10, 1995), Academic Informational Series #1 (ACIS-1.0 revised).

Program Authorization (Implementation)
B.S., Biochemistry
University of Wisconsin-La Crosse

EDUCATION COMMITTEE

Resolution I.1.e.(2):

That, upon recommendation of the Chancellor of the University of Wisconsin-La Crosse and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.S. in Biochemistry.

NEW PROGRAM AUTHORIZATION
B. S. IN BIOCHEMISTRY
UW-LA CROSSE
(IMPLEMENTATION)

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the procedures outlined in Academic Planning and Program Review (ACIS-1.0 revised), the new program proposal for a B.S. in Biochemistry is presented to the Board of Regents for implementation. If approved, the program will be subject to a regent-mandated review to begin five years after its implementation. UW-La Crosse and UW System Administration will conduct that review jointly, and the results will be reported to the Board of Regents.

There has been rapid growth and development in the field of biochemistry over the last several years. Biochemistry programs are being introduced in colleges and universities across the country, as new directions in the practice of science generate significant student and faculty interest in this area. At UW-La Crosse, the experience and expertise of the faculty members within the departments of chemistry and biology provide a firm foundation to implement a major in biochemistry.

REQUESTED ACTION

Approval of Resolution I.1.e.(2), authorizing implementation of the B.S. in Biochemistry, UW-La Crosse.

DISCUSSION

Program Description

Students in the biochemistry program will complete a rigorous 75-credit sequence including: foundation courses in general, analytical and organic chemistry; general biology, genetics and cell biology; calculus; and physics. Advanced courses span the specialty areas of biochemistry, molecular biology, and biophysical chemistry. Students in this program will also take at least two elective courses in a discipline (microbiology, biology, or chemistry) important to the study of biochemistry. The curriculum is based on recommendations from the American Chemical Society and the American Society for Biochemistry and Molecular Biology. All students will have opportunities to participate in research with faculty, and summer internship opportunities with regional biotechnology companies will be established.

Program Goals and Objectives

The central academic objectives of the biochemistry program are as follows:

- Provide a firm foundation of knowledge in chemistry, biology, math, and physics;
- Provide students with a curriculum that spans the areas of biochemistry, molecular biology, and biophysical chemistry;
- Provide a rigorous curriculum that will provide students with the necessary coursework to excel in a wide variety of specialized areas upon graduation;
- Provide students with up-to-date, hands-on training in biochemical techniques;
- Provide students with opportunities to use bioinformatics as a tool to decipher sequence information;
- Provide research opportunities for students in a biochemical field;
- Expose students to current biochemical research through a biochemistry seminar series;
- Provide summer internship opportunities for students with biotechnology companies.

Relation to Institutional Mission

The Select Mission of the UW-La Crosse includes the following goals, which are clearly supported by the proposed program.

The University shall emphasize excellence in educational programs and teaching. This program will take advantage of the expertise of faculty members who have an excellent reputation for high quality instruction, involvement in scholarly activities, notable success in obtaining external funding, and a high level of university and community service.

The University shall offer undergraduate programs and degrees in the arts, letters and sciences; health and human services; education; health, physical education, and recreation; and business administration. Within the College of Science and Allied Health community, approximately 200-250 students graduate each year with a major in one of the basic sciences and an additional 40-60 graduate from the allied health programs. The rigorous and defined course of study in biochemisty is an appropriate addition to this strong program array.

The University expects scholarly activity, including research, scholarship and creative endeavor that support its programs at the baccalaureate level, its selected graduate programs, and its special mission. UW-La Crosse has always held research and scholarship to be of the utmost importance. The establishment of a biochemistry major will support and unify the research and scholarly activity for the faculty and students in the departments of chemistry and biology.

Need

Nationally, it is forecast that 63,000 new positions will be available in biochemistry-related occupations from 2000 to 2010. These job openings will occur through the creation of new positions needed to promote growth, and through the retirement and career changes of the existing work force. The greatest increase in new positions, 26.4 percent, is expected in

Biological Technician occupations and the next greatest increase in new positions, 21.0 percent, is expected in the Biological Scientist occupations. Job openings due to separation will increase by 24 percent in the Biological Technician occupation and by 37 percent in the Biological Scientists occupation.

The projected growth rates of biochemistry-related occupations within Wisconsin are forecast to be comparable or greater than the national growth rates. In Wisconsin, positions for Biological Scientists are projected to increase by 35.6 percent, and positions for Biological Technicians are projected to increase by 5.6 percent. The projected growth rate of Biological Scientists is similar to that of neighboring states, with Minnesota increasing by 34.6 percent, Illinois by 33.5 percent, and Iowa by 36.6 percent. Western Wisconsin is projected to have 6 percent of new statewide positions for Biological Scientists.

Comparable Programs in Wisconsin and Surrounding States

Within the UW System, UW-Madison has well-established and prestigious undergraduate and graduate biochemistry programs. In addition, UW-Eau Claire has an undergraduate major in biochemistry/molecular biology and UW-River Falls has an undergraduate major in biotechnology and an ACS-accredited chemistry major with biochemistry option. Five other UW system universities have chemistry majors with concentrations or emphases in biochemistry.

The University of Minnesota also has well-established undergraduate and graduate programs in biochemistry; Minnesota State University-Mankato and the University of Minnesota-Duluth have bachelor-level biochemistry majors. There are two institutions in Illinois that offer biochemistry majors, the University of Illinois at Chicago and the University of Illinois at Urbana-Champaign. There are three institutions in Iowa that offer biochemistry majors: the University of Northern Iowa, Iowa State University, and the University of Iowa.

Collaboration

Representatives of the existing and proposed UW System biochemistry programs met together in August to discuss possible future collaboration. The chemistry departments within the UW System meet annually to discuss important chemistry curriculum issues. Members of Biochemistry programs meet separately to discuss issues that are important to the field of biochemistry. Discussions of potential collaborative efforts among the biochemistry programs will continue at future meetings. Such collaboration could include making efficient use of biochemistry seminar speakers by offering the seminar via compressed video.

Use of Technology

UW-La Crosse has eight general access classrooms, each with an average of 37 computers stations, available for instructional purposes. The recently renovated biochemstry laboratory has data ports for Internet access. The Classroom Modernization office of the Education Television Center designs and coordinates installation of instructional technology into classrooms with attention to creating an effective teaching environment.

Over the course of the past ten years, there has been a technical revolution in the life sciences, thus enabling the rapid determination of biological sequence information from a variety of sources. Large databases have been established to hold the sequence information, while various computer algorithms have been developed to extract meaning from these sequences. The merging of the sequence databases and computer algorithms has spanned an entirely new technology-based field of study, termed bioinformatics. Students graduating from biochemistry programs must be well versed in bioinformatics. With funding from a UW System Undergraduate Teaching and Learning Grant, nine faculty members from the Biology, Microbiology, and Chemistry Departments will incorporate bioinformatics in a cooperative manner into 12 courses within the life science curricula. In lecture, bioinformatics will be used to reinforce important course information; in the laboratory, through inquiry-based, hands-on exposure, students will gain experience in the various aspects of bioinformatics. Incorporation of bioinformatics into the life science curricula at UW-La Crosse will expose Biochemistry majors to bioinformatics throughout the program.

Academic and Career Advising

Each student in the Biochemistry Program will be advised by a member of the biochemistry faculty. The advisor will meet with the student twice a year to discuss course selection, academic performance, and future career options available to the student. Furthermore, UW-La Crosse provides students with career advising through the Career Services Program. This program provides students with information on available jobs, graduate/professional schools, and internship programs, and advises students in applying and interviewing for a job and in choosing a career.

Projected Enrollment

Year	Implementation year	2nd year	3rd year	4th year	5th year
New students admitted	6	3	6	10	12
Continuing students	0	6	7	8	11
Total enrollment	6	9	13	18	23
Graduating students	0	2	5	7	10

Assessment and Program Evaluation

A faculty committee will oversee the development, implementation, and assessment of the biochemistry major at UW-La Crosse. This committee will meet twice a year. The purpose of this committee is four-fold: (1) to establish and evaluate the curriculum in the biochemistry program; (2) to establish and provide proper training in the field of biochemistry; (3) to oversee guidance and placement of the students within the major; and (4) to provide ongoing evaluation of the program. A detailed assessment plan has been developed, including academic objectives and direct and indirect measure to assess student-learning outcomes. Job placement data, graduate and professional school placement data, alumni surveys, and exit interviews will provide information for continuing program improvement.

Evaluation from External Reviewers

Two external reviewers have reviewed and evaluated the proposed curriculum and program. One evaluator, a member of the American Society for Biochemistry and Molecular Biology (ASBMB), has been designing and evaluating biochemistry curricula for thirty years. He concluded that the designed curriculum is..."well aligned with the American Chemical Society (ACS) and the ASBMB guidelines." The second consultant, a member of the American Chemical Society, also supported the proposed curriculum. He observed that the topics covered on the syllabi cover all major topics of biochemistry, molecular biology, and biophysics. He also states, "The fact that your faculty are heavily involved in undergraduate research is also a very positive aspect of the program."

Resource Needs

The attached budget was prepared in consultation with the UW-La Crosse Financial Administration Office and the UW-La Crosse College of Science and Allied Health. The "current costs" are already allocated in the Chemistry Department budget. The "additional costs" will come from the following sources: (1) internal reallocation within the Chemistry Department as the result of serving fewer students because of declining enrollments associated with the UW-La Crosse Enrollment Management Plan (EM 21); (2) internal reallocation within the Chemistry Department resulting from the anticipated shift of some majors from chemistry to biochemistry; and (3) institutional reallocation funded from the University Holding Account—an account that is used to hold resources from program and administrative functions as they are reduced, or efficiencies are created, over time.

RECOMMENDATION

The University of Wisconsin System recommends approval of Resolution I.1.e.(2), authorizing the implementation of the B.S. in Biochemistry, UW-La Crosse.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review (November 10, 1995), Academic Informational Series #1 (ACIS-1.0 revised).

	FIRST YEAR		SECOND YEAR		THIRD YEAR	
CURRENT COSTS	**#FTE**	**Dollars**	**#FTE**	**Dollars**	**#FTE**	**Dollars**
Personnel						
Fac/Acad Staff	16.35	$911,210	16.15	$900,810	15.95	$890,410
Grad Assistants						
Classified Staff	1.92	$46,214	1.92	$46,214	1.92	$46,214
Student Help		$8,780		$8,780		$8,780
Non-personnel						
S&E		$73,654		$73,654		$73,654
Capital Equipment						
Library						
Computing		$3,000		$3,000		$3,000
Subtotal		$1,042,858		$1,032,458		$1,022,058
ADDITIONAL COSTS (SPECIFY)	**#FTE**	**Dollars**	**#FTE**	**Dollars**	**#FTE**	**Dollars**
Personnel						
Fac/Acad Staff	0.40	$20,800	0.60	$31,200	1.05	$50,927
Student Help		$3,000		$3,000		$3,000
Non-personnel						
S&E		$7,000		$8,000		$8,000
Capital Equipment		$6,600		$9,400		$10,600
Lab Renovation		$45,000		$18,000		$12,000
Subtotal		$82,400		$69,600		$84,527
TOTAL COSTS		**$1,125,258**		**$1,102,058**		**$1,106,585**
CURRENT RESOURCES						
GPR		$1,063,658		$1,063,658		$1,063,658
Gifts and Grants						
Fees						
Subtotal		$1,063,658		$1,063,658		$1,063,658
ADDITIONAL RESOURCES						
GPR Reallocation (University Holding Acct)		$61,600		$38,400		$42,927
Gifts and Grants						
Fees						
Other (Define)						
Subtotal		$61,600		$38,400		$42,927
TOTAL RESOURCES		**$1,125,258**		**$1,102,058**		**$1,106,585**

Program Authorization (Implementation)
M.S., Biotechnology
University of Wisconsin-Madison

EDUCATION COMMITTEE

Resolution I.1.e.(3):

That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Chancellor be authorized to implement the M.S. in Biotechnology.

NEW PROGRAM AUTHORIZATION
MASTER OF SCIENCE IN BIOTECHNOLOGY
UNIVERSITY OF WISCONSIN-MADISON
(IMPLEMENTATION)

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the procedures outlined in Academic Planning and Program Review (ACIS-1.0 revised), the new program proposal for a Master of Science in Biotechnology is presented to the Board of Regents for implementation. If approved, the program will be subject to a regent-mandated review to begin five years after its implementation. UW-Madison and UW System Administration will conduct that review jointly, and the results will be reported to the Board of Regents.

The Master of Science in Biotechnology is designed to meet current and future workforce needs of Wisconsin's biotechnology industry. UW-Madison has strong expertise in biotechnology and is a key contributor to the Wisconsin biotechnology industry. Faculty in numerous departments and programs conduct biotechnology-related research and teach graduate and undergraduate students in biotechnology-related disciplines. On the strength of this expertise, the 2001-03 state budget included a specific appropriation to support the development of this program. Faculty in numerous departments and several colleges (Medical School, Business School, College of Agricultural and Life Sciences, College of Letters & Science, Law School, School of Pharmacy, College of Engineering), along with partners in the biotechnology industry, will participate both in instruction and on the advisory board.

REQUESTED ACTION

Approval of Resolution I.1.e.(3), authorizing the implementation of the M.S. in Biotechnology, UW-Madison.

DISCUSSION

Program Description

The M.S. in Biotechnology is a 24-credit, weekend delivery program that is housed in the Department of Physiology. The program is designed to provide graduate-level training in scientific, financial, business, and developmental aspects of the biotechnology industry. It is intended for individuals with experience in the biotechnology industry and/or with recent degrees in biology, chemistry, engineering, or related fields. Students will attend intensive lectures, workshops, laboratories, and work on team projects on alternate weekends, to complete the program in two years. Core courses will cover principles and practice of biotechnology, molecular technologies, genomics, drug discovery, basic business practices, and operations in

biotechnology, and other topics relevant to the rapidly changing biotechnology industry. Elective options and an optional (albeit required for students with limited experience in biotechnology), six-week, "hands-on" internship with a biotechnology company or at a University facility will allow students to develop specific areas of interest.

Program Goals and Objectives

The program is designed to provide highly trained individuals who will contribute to the current and future needs of Wisconsin's biotechnology industry. Individuals with prior industry or academic laboratory experience will be prepared to enter mid-level management or project manager positions in the rapidly growing biotechnology industry in Wisconsin and the nation. Initially, the program will primarily target students with backgrounds in science and engineering, and will also accommodate individuals with law or business backgrounds. The program aims to develop the communication skills, management skills, and ethical judgment of its students and introduce marketing and financial aspects of biotechnology. These skills and capabilities are critical to success in the biotechnology workplace but are usually lacking in programs preparing students for careers in science.

The overarching goal of the program is to provide benefit to students and the Wisconsin biotechnology industry. To this end, partnerships will be developed and strengthened between the program and the biotechnology industry of Wisconsin. Graduates will enter the workforce with strong team orientation.

Relation to Institutional Mission

"Connecting Ideas: Strategies for the University of Wisconsin-Madison" lays out the UW-Madison mission and strategic plan. The plan for the M.S. in Biotechnology is strongly aligned with at least three strategic priorities: (1) Promote Research – this program will expand the educational opportunities for our students and will expand the application and benefit of the research expertise in this area beyond the campus; (2) Advance Learning – this program is designed to meet the needs of working adults from across the state in an industry that is crucial to the economic well-being of the state; and (3) Amplify the Wisconsin Idea – this program is designed to strengthen the connection and mutual benefit between UW-Madison experts in biotechnology and the Wisconsin biotechnology industry through the connections it makes between the students and instructors who participate in the program. This program is a key piece of the Madison Initiative II, which seeks to support the Wisconsin economy through specific programs.

Need

The M.S. in Biotechnology program is designed to address the ongoing shortage of trained professional researchers and research administrators in the biotechnology industry and in research universities both in Wisconsin and across the country. The availability of a highly trained professional workforce is necessary to attract biotechnology companies to Wisconsin. A professional market survey identified state and regional needs for this program. Industry recruiters and biotechnology firms surveyed reported that the demand for biotechnology

professionals exceeds the supply, and most expect this gap to persist over the next five to ten years. Those surveyed also report a need to develop future research and business leaders within the biotechnology industry. They view a M.S. in Biotechnology as a way to broaden the perspectives of current and future employees who often hold narrowly focused and highly technical, science-related undergraduate degrees.

Student demand is evident from the many inquiries received while the program was in development. A pilot class of 10 students was attracted with essentially no active marketing. Improved salaries may be one factor supporting student demand. Market survey results indicate that the average salary in the biotechnology industry for a new graduate holding a M.S. in Biotechnology is $42,032, about $9,000 more than those with a B.S.

Comparable Programs

We are unaware of any other Master's programs in Biotechnology in Wisconsin. Other undergraduate and graduate programs at UW-Madison offer biotechnology-related curricula (Biochemistry, Microbiology, Bacteriology, Genetics, Cellular and Molecular Biology, Biomedical Engineering, for example). Other UW campuses currently offer biotechnology-related undergraduate programs in some of these same disciplines. UW-River Falls offers a B.S. in Biotechnology, UW-Eau Claire offers a B.S. in Biochemistry/Molecular Biology, and UW-Milwaukee has an undergraduate certificate program in Biotechnology. None of these programs has the same goals, target audience, or curriculum design as proposed for the M.S. in Biotechnology.

Nationwide, there are masters-level biotechnology programs at the University of Pennsylvania, University of Arizona, and Northwestern University Kellogg School of Management. These programs are operating at capacity and other programs around the country (outside Wisconsin) are also emerging to meet this growing need.

Collaboration

UW-River Falls faculty expressed interest in collaborative arrangements from the early stages of program development and presents a possible partnership. In addition, development of an on-site module in Functional Genomics at the Medical College of Wisconsin, one of eleven sites in the country funded to explore the genetic bases of complex diseases, is under consideration. Also, the program plans to develop its presence in the Minneapolis/St. Paul and Chicago areas. The recently-hired program administrator will develop a marketing plan that targets biotechnology centers beyond Wisconsin's borders in an effort to build the most competitive student cohorts and to provide opportunities for internships, job placement, and financial support to the M.S. in Biotechnology Program. As these collaborative relationships develop, we expect our Advisory Board membership to grow to reflect new partnerships in education and the business sector.

Use of Technology/Distance Education

The use of digital and electronic technology will be integral to the curriculum of this program. Students will be required to have laptop computers and will routinely use them in labs, and for individual and team projects. Computers will be indispensable for data sharing and for communicating among students and between instructors and students for this every other weekend program. Faculty will field e-mail questions and monitor WebCT activities at regular intervals during evening and weekend hours.

Our partnership with the BioPharmaceutical Technology Center Institute (BCTI) also ensures that students will be trained in state-of-the-art facilities utilizing the most modern equipment and technology. These laboratories are continually updated, reflecting BTCI's commitment to education and their determination to be a competitive center for continuing education among biotechnology industry workers. The BTCI also utilizes funding provided from the M.S. in Biotechnology to purchase certain equipment items and to employ a staff of 6-8 individuals with expertise in a variety of biotechnology applications.

Academic and Career Advising

Students will receive academic advice and guidance throughout the program from the program faculty. The program administrator will monitor student progress and will provide milestone reports to program faculty for follow-up. The strong partnership with biotechnology companies and the internship element of the program will serve as a direct pipeline for future employment.

Projected Enrollment

This program will accommodate a maximum cohort of 24 new students each fall.

Year	Implementation year (Pilot, Fall 2002)	2nd year	3rd year	4th year	5th year
New students admitted	10	20	24	24	24
Continuing students	--	10	20	24	24
Total enrollment	10	30	44	48	48
Graduating students (end of year)	0	10	20	24	24

Assessment and Program Evaluation

The M.S. in Biotechnology program will be assessed by the faculty and advisory board to determine whether program objectives are being achieved. The assessment program will have three main components. First, faculty will look at direct measures of student learning to determine if the cohorts are meeting program goals in technical skills, communication skills, teamwork, and other areas. Second, reports from employers of interns and program graduates will be used to evaluate the effectiveness of the internship program and the preparedness of

students at the interning stage. Third, graduates will be surveyed to provide feedback on their skill development and the value of the program to their career progression.

Evaluation from External Reviewers

Three outside reviewers evaluated the program and provided enthusiastic endorsements. They commended the comprehensive nature of the curriculum and the scholarly strength of the faculty. The reviewers supported the need for such a program and recognized that the partnership with the biotechnology industry is a key strength of the program that would be to the mutual benefit of the program and the biotechnology industry in Wisconsin.

Resource Needs

A detailed budget is attached. Program development along with personnel and operating expenses are supported by a 2001-03 state appropriation. The program will eventually be supported by service-based pricing tuition, currently set at $25,000. The funding will support a program director (20 percent), Curriculum Director (50 percent), an administrator (100 percent), two full-time faculty, and portions of salary of several additional faculty for a total of 6 FTE. Funds will also cover instructional costs, capital laboratory equipment costs, annual symposia, and supplies and expenses in the range of $1,000 per student per year.

RECOMMENDATION

The University of Wisconsin System recommends approval of Resolution I.1.e.(3), authorizing the implementation of the M.S. in Biotechnology, UW-Madison.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review (November 10, 1995), Academic Informational Series #1 (ACIS-1.0 revised)

UW-Madison MS Biotechnology Budget

	First Yr		Second Yr		Third Yr	
	2002-03		2003-04		2004-05	
CURRENT COSTS	FTE	$	FTE	$	FTE	$
Personnel						
Faculty and Acad Staff (1, 2)						
Program Director	0.20	35,000	0.20	36050	0.20	37132
Curriculum Director	0.50	48,000	0.50	49440	0.25	25462
Administrator	1.00	61,000	1.00	62830	1.00	64715
SUBTOTAL	1.70	144,000	1.70	148320	1.45	127308
ADDITIONAL COSTS	FTE	$	FTE	$	FTE	$
Personnel						
Faculty and Acad Staff (1, 2)						
Faculty Instructors -Adjunct (8 at about 16 % time each)	1.28	128000	1.28	131840	1.28	135795
New Faculty Hires:						
Senior	1.00	120000	1.00	123600	1.00	127308
Junior	1.00	75000	1.00	77250	1.00	79568
Information Processing Consultant	1.00	55,000	1.00	56650	0.50	29175
SUBTOTAL	4.28	378000	4.28	389340	3.78	371846
Non-Personnel						
S&E (9)		30000		45000		50000
Other						
BTCI Contract (3)		140,000		140,000		140,000
Laboratory Equipment & Supplies(4)		400,000		50,000		50,000
Biotechnology Symposium (5)		40,000		45,000		45,000
SUBTOTAL		610000		280000		285000
TOTAL COSTS		**1,132,000**		**817,660**		**784,154**
RESOURCES	FTE	$	FTE	$	FTE	$
GPR (8)		400,000		400,000		400,000
Carry-Over from previous yr		690,000		21,080		
Tuition - Service Based Pricing (7)	10.00	63080	30.00	313080	44.00	550000
Other						
Reallocation (10)						62063
TOTAL RESOURCES		**1,153,080**		**734,160**		**1,012,063**

Notes: Faculty and academic staff salaries are adjusted 3 percent annually to reflect anticipated increases.

1. Faculty. The Biotechnology program will have a program director (20 percent time), a curriculum coordinator (50 percent) and approximately 8 additional faculty instructors contributing approximately 16 percent time each. Two additional faculty will be hired in the first year of the program.

2. Academic Staff. The program will be supported by an administrative program director (100 percent time). An information processing consultant will be hired in the first year to support web-based services.

3. The Biotechnology program will contract with BTCI (BioPharmaceutical Technology Center), a non-profit division of Promega Corporation, for instructional support for certain laboratory-based courses.

4. Laboratory equipment will be required in the first year to support the genomics course and other lab-based course work. Supplies and equipment will also be required on an on-going basis for supplies.

5. The program will host an annual Biotechnology Symposium to bring together students, faculty, staff, and the biotechnology industry.

7. Service based pricing tuition rate will be $25,000 per student for the program ($6,250 per term over four terms). The first cohort of students will pay regular graduate tuition ($3,154 for 2002-03). Projected enrollment: Year 1, 10 new students;
Year 2, 20 new students and 10 continuing students who will graduate at the end of the second program year;
Year 3, 24 new students and 20 continuing students, who will graduate at the end of the third program year; and
Year 4, 24 new students and 24 continuing students who will graduate at the end of the fourth program year.

8. The MS Biotechnology program received a state appropriation as part of the 2001-03 Madison Inititative II package. Approximately $320,000 was expended in 2001-02 in program development. The remainder of the 2001-02 funds ($1,007,000) are carried over to 2002-03. The program will receive state funds for the first three years.

9. S&E costs will include office supplies, promotional materials, and student-specific costs (approximately $1,000/student), which will increase as enrollment increases.

10. Reallocation - Partial salary of new faculty in the third year will be funded from other sources.

N.B. Please note that Education Committee Agenda Item I.1.f. comprises the Executive Summary for the Ph.D. in History from the University of Wisconsin-Milwaukee presented to the Board of Regents for a first reading in December, 2001. This material is provided for your information as background to discussion of Item I.1.f.

December 6, 2001 **Agenda Item I.1.f.**

NEW PROGRAM AUTHORIZATION
PH.D. IN HISTORY
UW-MILWAUKEE
(Initial Review)

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the procedures outlined in the University of Wisconsin System *Guidelines for Academic Program Planning and Approval*, the new program proposal for the Ph.D. in History at the University of Wisconsin-Milwaukee is presented to the Board of Regents for initial review. As stipulated by the *Guidelines*, this proposal will be included in the agenda for the February meeting for a second review, at which time UW System administration will recommend that the Board of Regents take action authorizing the Chancellor to implement the program. If approved, the program will be subject to a review to begin 5 years after its implementation. The institution and UW System will conduct that review jointly, and the results will be reported to the Board.

The UW-Milwaukee Department of History has had an M.A. program since 1960. It is currently the largest M.A. program in the College of Letters and Science. The Department drafted its entitlement to plan a Ph.D. proposal in 1992 and received permission to develop the request for authorization to implement the program in 2000.

REQUESTED ACTION

No action is requested at this time.

DISCUSSION AND RECOMMENDATION

Program Description

The program will be housed in the UW-Milwaukee Department of History, which by Fall 2002 will have more than 30 faculty members. It is designed to meet the needs of men and women already in the workforce. All students admitted to the program will hold a master's degree in History or a related discipline. To complete the Ph.D. program, students will take at least 30 additional graduate credits, at least 9 of them in fields other than History. Students will choose one of 3 concentrations: Urban History, Global History, or Modern Studies. They will take 4 "methods" courses, the core course in the concentration, and at least 6 credits of dissertation work. Students must demonstrate proficiency in a foreign language or a skill relevant to historical study. They must also pass a preliminary examination before writing the dissertation as well as an oral examination after writing the dissertation.

Program Goals and Objectives

Students will acquire or enhance their ability to master a body of knowledge through research in secondary literature and primary sources, explore problems by analyzing a variety of materials and perspectives, and write in an effective and professional manner. They will learn to test their ideas in a community of scholars and produce original scholarly work suitable for publication or dissemination in other forms. They will also become familiar with new technologies and gain skills applicable in many different careers.

Relation to Institutional Mission

The program is in line with the *Core Mission of the UW System Doctoral Cluster*, which commits the System to "promoting public service and research efforts directed toward meeting the social, economic, and cultural needs of the State of Wisconsin and its metropolitan areas," and the *Select Mission of the University of Wisconsin-Milwaukee,* which commits the University to "developing and maintaining high quality graduate programs appropriate to a major urban doctoral university." It will allow non-traditional students in the largest metropolitan area in the state to continue their education and advance their careers by enrolling in a non-traditional program designed with their needs in mind. It will keep these students, as well as some traditional students who might otherwise enter Ph.D. programs elsewhere, in Wisconsin and increase the supply of well qualified applicants for a variety of jobs in education and other fields.

Strengths/Unique Features

The concentrations are defined thematically, rather than nationally and chronologically, and all 3 are interdisciplinary in nature. In addition to traditional courses on historiography and research methods, students will take innovative courses on pedagogy and technology. Courses will be offered in the late afternoon and early evening to accommodate students with full-time jobs.

Accreditation

N/A

Evaluation from External Consultants

Two external consultants reviewed the proposed program and described it as "excellent" and "exceptionally strong." They agreed that the faculty is large and strong enough to implement an innovative program that differs in many ways from other programs in the state and meets the needs of identifiable groups of potential students. One consultant applauded the Department for building on its "current strengths" and identified two of the new courses, "Professional and Pedagogical Issues in History" and "History and the New Media," as "innovative and important." The other consultant noted that the American Historical Association, following an extensive review of graduate education, will recommend that departments develop or expand offerings in

both global and public history. He added that the UW-Milwaukee proposal "envisions a Ph.D. program that will make precisely the kind of contribution that educational leaders consider most important for the foreseeable future."

Need

We expect to draw many if not most of our students from southeastern Wisconsin. To assess demand, the Department sent questionnaires to some 800 elementary and secondary social studies teachers. More than 150 of them expressed interest in the program, and most indicated that they are more interested in career advancement or personal satisfaction than in changing jobs. We have designed the Global History concentration in response not only to developments in the historical profession but also to the introduction of the Wisconsin Department of Public Instruction requirement that social studies teachers take courses in world history.

We assume that the program will also interest several other kinds of students:

- Historians already working in archives, museums, historic preservation, historical editing, public policy, and private historical consulting, including graduates of the Public History concentration in our M.A. program;

- Men and women working in a wide range of other occupations in the metropolitan Milwaukee area who want the advanced degree for career or personal reasons; and

- Individuals interested in teaching History in 2 or 4-year colleges and universities.

We expect graduates of our M.A. program to constitute a significant percentage of our Ph.D. students. We surveyed ten years of M.A. students and learned that 48 of 142 had continued their graduate studies elsewhere. Two-thirds of them indicated that they might have remained here if UW-Milwaukee had had a Ph.D. program. Another ten who did not pursue the Ph.D. indicated that they would have done so here if that option had been available to them. When we polled the students in our M.A, program last year, ten expressed interest in the proposed Ph.D.

The market for college and university jobs in History remains very competitive, but more jobs were advertised last year than the year before, and, judging from the September, October, and November American Historical Association newsletters, more jobs will be advertised this year than last year. The state Department of Workforce Development projects that the number of jobs for History teachers typically requiring a Ph.D. will expand from 300 in 1998 to 350 in 2008 and identifies the likely areas of growth as Milwaukee County, the Green Bay area, and central, western, and southwestern Wisconsin. The national Bureau of Labor Statistics projects that the number of college and university jobs typically requiring a Ph.D. will expand from 865 in 1998 to 1061 in 2008. Specific figures for History are not available.

Projected Enrollment

We expect to admit 5 to 7 students per year and estimate that we will have 5/10/15/20/25 students enrolled in Years One through Five.

Comparable Programs in Wisconsin

UW-Madison and Marquette University have Ph.D. programs in History, both structured in traditional geographical and chronological terms and intended for traditional full-time students. Unlike these programs, the UW-Milwaukee Ph.D. is structured around 3 interdisciplinary concentrations and intended to meet the needs of students already in the workforce.

Comparable Programs outside Wisconsin

Minnesota has one Ph.D. program in History, at the University of Minnesota, and Illinois has several, including Loyola University, Northern Illinois University, Northwestern University, University of Chicago, University of Illinois-Chicago, University of Illinois-Champaign/Urbana. Almost all of the institutions in our "Urban 13" peer group have Ph.D. programs in History.

Collaboration

The program involves intra-institutional collaboration between History and the Urban Studies Program, the Center for International Education, and the Modern Studies Program in the Department of English. Under the Cooperative Graduate Student Exchange Program, our graduate students may take courses at Marquette University that are not offered at UW-Milwaukee. Members of our department have participated in doctoral examinations at Marquette, and members of the Marquette department will be available to participate in doctoral examinations in the proposed Ph.D. program. We have had preliminary discussions with UW-Madison faculty members about collaborative activities involving graduate students. Through the Committee on Institutional Cooperation, our graduate students may enroll in special courses or take advantage of research opportunities at Big Ten universities and the University of Chicago.

Use of Technology/Distance Education

Many of our courses already involve instructional technology in one form or another. One of the required "methods" courses will cover the pedagogical uses of technology, and another will explore the historical uses of new media. Several members of the Department have taught courses through distance education, and some of our new courses would lend themselves to delivery in this format. Almost all of the teachers who voiced interest in the program indicated that they would take courses online. Decisions about distance education will be based on quality, demand, and cost.

Academic and Career Advising

Students will consult periodically with, and have their schedules approved by, the Director of Graduate Studies or the Major Professor, who advises the dissertation and chairs the preliminary and doctoral examination committees. Our faculty members have extensive experience in all aspects of academic work, from publication to administration, and are well qualified to provide individualized advising. Students will have access to other types of advising through the UW-Milwaukee School of Education and Career Development Center.

Assessment and Program Evaluation

Students who earn the Ph.D. will be asked to complete a confidential evaluation of the program including questions about its impact on their careers and performance. The departmental Graduate Affairs Committee will conduct a self-assessment of the program every 3 years. The program will be reviewed in 5 years and regularly thereafter as provided by the timetable of graduate program reviews. Feedback will be used to revise courses and requirements.

Resource Needs

No additional resources are required to support the program, which will be financed through reallocation of funds in the regular departmental budget. In Years One/Two/Three, we estimate that we will have 5/10/15 Ph.D. students, who will be enrolled in (8/9/10) graduate courses along with M.A. students, and that .5/.75/1 FTE will be devoted to teaching and advising Ph.D. students. We expect that 2 of these students may have teaching assistantships (two @ 50% = 1 FTE), and that one member of the office staff may spend 10/15/20% of her time on the program.

RECOMMENDATION

No action is requested at this time.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review (10 November 1995), Academic Informational Series #1 (ACIS-1.revised).

BUDGET FOR PROPOSED PROGRAM
Estimated Costs and Resources

	YEAR ONE		YEAR TWO		YEAR THREE	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
CURRENT COSTS	N/A					
COSTS ATTRIBUTABLE TO PH.D. PROGRAM						
Personnel:						
Faculty/Acad Staff	$29,112	0.5	$45,416	0.75	$62,977	1.0
Graduate Assistants	$17,500	1.0	$18,200	1.0	$18,928	1.0
Classified Staff	$1,254	0.1	$4,397	0.15	$6,097	0.2
Fringe benefits	$13,020		$19,038		$25,515	
Nonpersonnel:						
S&E	$838		$838		$838	
TOTAL COSTS	$61,724		$87,889		$114,355	
RESOURCES						
Reallocation	$61,724		$87,889		$114,355	
TOTAL RESOURCES	$61,724		$87,889		$114,355	

EDUCATION COMMITTEE

Resolution I.1.g.(1):

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the University of Wisconsin-Platteville's revised mission statement.

REVISED MISSION STATEMENT
UNIVERSITY OF WISCONSIN-PLATTEVILLE
(APPROVAL)

EXECUTIVE SUMMARY

BACKGROUND

Chapter 36.09(b), Wis. Stats., requires that "the Board, after public hearing at each institution, shall establish for each institution a mission statement delineating specific program responsibilities and types of degrees to be granted."

The University of Wisconsin-Platteville requests approval for its revised Mission Statement. These changes have been reviewed by the campus and endorsed by the appropriate governance groups. A copy of UW-Platteville's proposed revised mission is attached.

UW-Platteville's revised mission statement underwent initial review at the October 10, 2002, meeting of the Education Committee. On October 24, 2002, a public hearing was held on the UW-Platteville campus. Regent Randall presided via teleconference. Speakers included university administrators, area business and industry representatives, and UW-Platteville faculty.

REQUESTED ACTION

Approval of Resolution I.1.g.(1), approving UW-Platteville's revised mission statement.

THE SELECT MISSION OF THE UNIVERSITY OF WISCONSIN-PLATTEVILLE (2002)

(a) The University enables each student to become broader in perspective, more literate, intellectually more astute, ethically more sensitive, and to participate wisely in society as a competent professional and knowledgeable citizen.

(b) The University provides baccalaureate degree programs which meet primarily regional needs in arts and sciences, teacher education, business, and information technology.

(c) The University provides baccalaureate degree programs and specialized programs in middle school education, engineering, technology management, agriculture, and criminal justice, which have been identified as institutional areas of emphasis.

(d) The University provides graduate programs in areas clearly associated with its undergraduate emphases in education, agriculture, technology management, engineering, and criminal justice.

(e) The University provides undergraduate distance learning programs in business administration and graduate online programs in project management, criminal justice, and engineering.

(f) The University provides agricultural systems research programs utilizing the Pioneer Farm in partnership with businesses, universities and agencies.

(g) The University expects scholarly activity, including applied research, scholarship and creative endeavor, that supports its programs at the baccalaureate degree level, its selected graduate programs, and its special mission.

(h) The University seeks to serve the needs of all students, and in particular the needs of women, minority, disadvantaged and nontraditional students. Furthermore, the University seeks diversification of the student body, faculty and staff.

(i) The University serves as an educational, cultural and economic development resource to southwestern Wisconsin.

EDUCATION COMMITTEE

Resolution I.1.g.(2):

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the University of Wisconsin-Eau Claire's revised mission statement.

REVISED MISSION STATEMENT
UNIVERSITY OF WISCONSIN-EAU CLAIRE
(APPROVAL)

EXECUTIVE SUMMARY

BACKGROUND

Chapter 36.09(b), Wis. Stats., requires that "the Board, after public hearing at each institution, shall establish for each institution a mission statement delineating specific program responsibilities and types of degrees to be granted."

The University of Wisconsin-Eau Claire requests approval for its revised Mission Statement. These changes have been reviewed by the campus and endorsed by the appropriate governance groups. A copy of UW-Eau Claire's proposed revised mission is attached.

UW-Eau Claire's revised mission statement underwent initial review at the May 9, 2002, meeting of the Education Committee. On October 31, 2002, a public hearing was held on the UW-Eau Claire campus. Regent Marcovich presided. Speakers included university administrators, area business and industry representatives, and UW-Eau Claire faculty.

REQUESTED ACTION

Approval of Resolution I.1.g.(2), approving UW-Eau Claire's revised mission statement.

Select Mission of the University of Wisconsin-Eau Claire

The University of Wisconsin-Eau Claire is a comprehensive university whose purpose is to foster the intellectual, personal, social, and cultural development of its students. The University provides an academic environment designed to encourage faculty-student interaction and promote excellence in teaching and learning, scholarly activity, and public service. Its residential setting fosters personal and social development through a rich array of co-curricular activities.

The University's focus is a liberal arts based education across the curriculum in all programs. The University places a special emphasis on experiential learning activities, such as international studies, faculty-student research collaboration, internships, and community service. UW-Eau Claire is the University of Wisconsin System's Center of Excellence for Faculty and Undergraduate Student Research Collaboration.

In addition to the University of Wisconsin System Mission and the Core Mission of the University Cluster Institutions, the University of Wisconsin-Eau Claire has the following select mission:

- to provide undergraduate education in a broad range of programs, based on a strong general education component emphasizing the liberal arts and sciences, offering degrees in the arts and sciences, allied health fields, business, education, nursing, and other areas that grow clearly from university strengths and meet identifiable regional and state needs;
- to provide graduate education, at the master's and specialist levels, in select programs that grow clearly from undergraduate strengths and meet identifiable regional and state needs;
- to support and encourage scholarly activities, including research and creative endeavors, that enhance its programs at the associate and baccalaureate level, its selected graduate programs, and its special mission; and
- to support the cultural, educational, and economic development of the immediate region in a variety of ways, including its outreach and community service programs.

(Approved by University Senate, 2/02)

I.2. Business and Finance Committee

Thursday, November 7, 2002
Room 1920 Van Hise Hall
12:30 p.m.

11:00 a.m. All Regents

- The Wisconsin Technical College System Presentation
- 2003-05 Budget
    - New Initiatives
    - 95% Exercise

12:30 p.m.

a. Approval of the Minutes of the October 10, 2002 Meeting

b. Overview of UW System Financial Management Structure

c. Trust Fund Issues
   (1) UW Foundation Perspective on Hedge Funds
   (2) Review of Emerging Markets
   (3) Request to Expend Principal of Mary W. Enerson Bequest
   [Resolution I.2.c.(3)]

d. Committee Business
   (1) Annual Sick Leave Report
   (2) Quarterly Gifts, Grants, and Contract Report
   (3) Annual Broadcast Report
   (4) Acceptance of Bequests over $50,000
   [Resolution I.2.d.(4)]

e. Report of the Vice President
   (1) Status of Classified Represented Pay Plan
   (2) Discussion of "Direct" versus "Full" Cost Recovery Programs
   (3) Blue Cross/Blue Shield Agreement Modification – Technical Adjustment
   [Resolution I.2.e.(3)]

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

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

3:30 p.m. 4151 Grainger Hall, Directors Room

h. Public Forum on Trust Fund Investments

OVERVIEW OF UW SYSTEM FINANCIAL MANAGEMENT STRUCTURE

EXECUTIVE SUMMARY

BACKGROUND

In the wake of recent corporate accounting scandals, this is the second in a series of reports intended to provide members of the Board of Regents with information about the safeguards employed by the UW System to ensure the reliability of its accounting information.

REQUESTED ACTION

This report is submitted for information only.

DISCUSSION

Last month's report examined factors that effectively preclude upper management from purposefully providing false information in the UW System's financial statements in order to mislead stakeholders. This month's report takes a more affirmative approach in describing some of the key elements in the UW System that ensure the reliability of our financial records both from a "top-down" perspective and from a transactional level.

A strong system of internal control starts with an effective management structure, clear lines of authority and responsibility, and with personnel policies and practices that ensures the organization is staffed by honest and reliable personnel who are enabled to work efficiently. The report cites some of the key aspects of the UW System's operational environment that foster achievement of these organizational objectives. Other key elements of the overarching control environment are also discussed such as the development of UW System financial and administrative policies and how budgetary monitoring and adherence to peer accounting practices produce a significant level of control assurance.

The initial goal of any accounting system is to ensure that only valid transactions are recorded and that all valid transactions are recorded promptly and accurately. It is the responsibility of financial management to think carefully through each of its business processes such as revenue collection and cash disbursement and to design procedures that meet specific objectives related to authorization, transaction processing, classification, substantiation, and physical safeguard. Within the UW System, most transaction

processing takes place at the institutions and not at a System level. The typical business processes for which financial managers must develop control procedures are illustrated in Attachment 1. In addition to their opinion letter on the UW System's financial statements, the Legislative Audit Bureau annually provides the Board of Regents with a separate letter reporting on the UW System's system of internal controls and would report on any material weaknesses were any found.

The primary method of preventing or at least minimizing the risk of fraud is to establish an adequate set of control procedures with particular attention to separating job duties in such a way that no single individual is in a position to misappropriate funds or assets without engaging in collusion. Unfortunately, no system of internal control is perfect and frauds do occasionally occur in any large organization including the UW System. The UW System policy on steps to be taken when fraud is suspected is provided as Attachment 2.

RELATED REGENT POLICIES

None

Overview of the UW System's Financial Management Structure

Key control elements in the UW System are described below both from a top-down perspective and from a transactional level. Fraud prevention, detection, investigation and prosecution are also discussed.

The Key to Ensuring Fiscal Integrity: Internal Control

The key to establishing and maintaining fiscal integrity in any organization is creating an effective system of *internal control*. As defined by the American Institute of Certified Public Accountants,

> Internal control comprises the plan of organization and all of the coordinate methods and measures adopted within a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

The key elements of internal control are:

- Competent, trustworthy personnel with clear lines of authority and responsibility.
- Adequate segregation of duties.
- Proper procedures for authorization.
- Adequate documents and records.
- Proper procedures for records keeping.
- Physical control over assets and records.
- Independent checks on performance.

The importance of each of these elements to ensuring fiscal integrity is largely self-evident. How they are incorporated into the UW System's operations is described below both from the "top down" or strategic perspective (the control environment) and from the "bottom up" or transactional perspective.

The Control Environment

Organizational structure: A strong system of internal control starts with an effective management structure, clear lines of authority and responsibility, and with personnel policies and practices that ensures the organization is staffed by honest and reliable personnel who are enabled to work efficiently. Some of the more notable characteristics that foster these objectives within the University of Wisconsin System are:

- A governing Board, appointed by the governor, that is independent of management and responsive to a broad range of stakeholders and which is responsible for carrying out a statutorily defined mission.

- Executive management of the System that is directly accountable to the Board and at each of the institutions that is accountable to the Board through the President.
- Governance shared with faculty, academic staff, and students as provided by law and subject to the responsibilities and powers of the Board, the President, and the Chancellors.
- Direct Board involvement in setting strategic directions and in establishing key accountability indicators as well as key operating policies.
- System Administration staff that serve the Board through the President.
- An office within System Administration, Financial Administration, that reports to the Vice President of Finance and which is responsible for ensuring the overall fiscal integrity of the UW System.
- Professional financial management at each of the institutions led by a chief business officer (variously titled) who reports directly to the chancellor and by a controller who reports to the chief business officer.
- An academic and classified personnel system that establishes consistent classification and compensation of positions based on job duties, requires open competition for job openings, and establishes standardized procedures to ensure the qualifications of hires.
- Internal audit staff at both the System and institutional level.
- Formalized codes of employee conduct codified by the Rules of the Board of Regents – UWS 8 and by chapter 24 of the Employment Relations Merit Recruitment and Selection manual.

Fiscal operating environment: A significant portion of the overarching control environment is defined by state mandates, by financial and administrative policies jointly adopted by the UW System institutions under the leadership of System Administration in a best business practices framework, and by adherence to commonly accepted standards for higher education recommended by the National Association of College and University Business Officers (NACUBO). Some of the more notable aspects of this control environment include:

- Statutory provisions, particularly in Chapters 16 and 20 of the Wisconsin Statutes, establish a wide-ranging set of controls within which the UW System must operate and give the Department of Administration the power to establish further rules to implement the intent of these statutes. For example, state law and rules are relatively prescriptive of procurement procedures that must be followed to ensure open competition and the avoidance of conflict of interest.
- Formal signed agreements delegate certain accounting and fiscal management responsibilities from the State Controller to the UW System and from the UW System in turn to each of the UW System institutions.

- An appropriation structure is legislatively established that provides GPR funding in 29 separate appropriations, each of which must be separately managed since the usage of each is prescribed. Likewise, 48 separate appropriations are specified in which the UW System must account for program revenue funds. Another 8 appropriations are established to account for UW activities that are accounted for outside the state's General Fund and another 20 appropriations are established by the Department of Administration to account for non-budgeted activity such as insurance losses and sales tax clearing.
- Within each of the legislatively established appropriations, the Department of Administration exercises allotment control over how much can be spent for salaries, for fringes benefits, for supplies and services, and for capital items. The state's budget control process as exercised by the Department of Administration ensures that final year-end expenditures are within the allotment levels established for each appropriation. GPR appropriations are reduced by the state if the state's budget cannot support amounts initially appropriated and the final amount appropriated cannot be overspent. Each agency including the UW System must certify that any cash overdrafts in program revenue appropriations are supported by accounts receivable and/or inventory.
- UW System Administration has worked in conjunction with the institutions to develop a series of financial and administrative policies that establish the policy and procedural framework within which the UW institutions operate. These polices are accessible through the Financial Administration web site, http://www.uwsa.edu/fadmin/fap.htm. They are arranged topically and searchable by key word. The UW System policy on steps to be taken when fraud is suspected is discussed below. At the December meeting of the Regents' Business and Finance Committee, the UW System policy on financial management of auxiliary operations, http://www.uwsa.edu/fadmin/fppp/fppp43.htm, will be reviewed in detail.
- Where applicable, the UW System follows accounting and reporting practices recommended by the National Association of College and University Business Officers (NACUBO). For example, the UW System follows NACUBO definitions in classifying its expenditures into functional categories (i.e., Instruction, Research, Public Service, Student Services, Academic Support, Institutional Support, Physical Plant, Financial Aid, Auxiliary Enterprises). The UW System is active in NACUBO and other professional associations and has participated in a variety of benchmarking exercises over the years to measure its activities in relationship to its peers.

Audit: A key element of internal control is independent checks on performance. At lower levels of detail this check is built into procedures designed to ensure prompt detection of unintentional (or intentional) errors. At a higher level, these independent checks on performance are accomplished through formal audits conducted by professional auditors. As noted below, formal audits of the UW System and its institutions are conducted by Legislative Audit Bureau, by the UW System Office of

Operations Review and Audit, by institutional internal auditors, and occasionally by IRS or other external auditors.

- On an annual basis, the financial statements of the UW System are audited by the Legislative Audit Bureau (LAB) and additional testing is conducted by LAB to meet federal requirements for recipients of federal funds. LAB is also empowered by law to conduct any other such financial and programmatic audits as it sees fit.
- The UW System Office of Operations Review and Audit, has focused in recent years upon program reviews. Members of the Board of Regents receive regular updates on the work of this group.
- Each UW System institution has at least one internal auditor. By agreement with the UW System Office of Operations Review and Audit the institution-based auditors perform regular audits of certain core financial areas including audits of operations that handle cash. Beyond these agreed upon audits, the institution auditors are available to meet the audits priorities of the chancellor and the chief business officer of the institution.
- The UW System and its institutions are also subject to audit from a variety of other external audit groups representing such regulatory and funding interests as the Internal Revenue Service and federal auditors reviewing indirect cost rate proposals.

Transaction Level Controls

The initial task of an accounting system is accurate and timely recording of economic events that should be recognized. In establishing a system of internal control it is often convenient to think of these economic events in "cycles," or logically grouped webs of transactions and processes. For example, the revenue cycle and the disbursements cycle are common to virtually all organizations. Defining control objectives for each cycle and thinking through the types of procedures that will meet each of these objectives is a useful way to establish organizational processes. The objectives for each cycle typically relate either to authorization, transaction processing, classification, substantiation, or physical safeguard. For example, one of the authorization objectives relevant to the disbursements cycle is "to ensure that the types, estimated quantities, prices and terms of goods and services needed are authorized in accordance with management's criteria." It is the responsibility of management to establish procedures to ensure that this objective, along with some 16 others pertaining to the disbursements cycle, is consistently achieved.

In addition to the revenue and disbursement cycles, the transaction cycles relevant to the UW System and its institutions include cost allocations, property control, cash and investment management, budget management, debt management, and financial reporting. Within each of these major cycles, it is relevant to define "sub-cycles" where different procedures are necessary to meet the same control objectives. For example, payroll disbursements are handled very differently from vendor payments and both are handled

differently from financial aid payments. Therefore, each of these is defined as a separate sub-cycle within our disbursement cycle. And, even within the vendor payment sub-cycle, different controls must be developed to meet control objectives wherever different processes apply. For example, different controls apply to procurement card payments than to vendor payments where goods have been supplied in response to a purchase order. Attachment 1 lists the UW System's major transactions and typical campus sub-cycles within each.

For the most part, the processing of financial transactions takes place at each of the UW institutions and most of the relevant controls are exercised at that level rather than at a System level. As noted above, System Administration has worked in conjunction with the institutions to develop broad operating policies. However, it is the responsibility of campus financial managers to establish the detailed procedures to accomplish internal control objectives and to monitor the operation of these procedures to ensure that they are working as intended to meet control objectives. For example, it is the responsibility of campus management to develop procedures to ensure accountability for cash in all revenue processing units.

Members of the Board of Regents can be assured that the UW System and its institutions have adequate systems of internal control based upon the work done by the Legislative Audit Bureau (LAB). Like all auditors performing financial statement audits, LAB auditors spend the majority of their audit time reviewing and testing systems of internal control. Because auditors clearly cannot review all financial transactions and trace them to the financial statements, they concentrate much of their effort in analyzing procedures and systems in order to establish a basis of reliance upon the accounting records from which the financial statements are drawn. In addition to the opinion on our financial statements, the Board is annually provided with a separate letter from LAB reporting on their review of our systems of internal control entitled "Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of the Financial Statements." As is typical of auditor reports, this letter is notable for its "boilerplate" language and more for its negative assurances ("we did not find …") than for its positive assurances. Nevertheless, LAB would certainly use this letter to communicate any major concerns regarding internal control systems to the Board.

Fraud Prevention, Detection, Investigation and Prosecution

Last month the Business and Finance Committee reviewed factors that preclude high level UW System management from purposefully providing false information on the UW System's financial statements in order to mislead the System's stakeholders. This discussion pertains to the prevention, detection, investigation, and prosecution of localized fraud involving misappropriation of UW funds or assets, generally by a single individual.

The primary method of preventing or at least minimizing the risk of fraud is to establish an adequate system of internal control. Frauds virtually always occur because procedures have not been adequately designed or monitored carefully enough. Most frequently the

fraud occurs because of an inadequate *separation of duties*. Separation of duties is a key principle of internal control that is crucial in preventing both intentional and unintentional errors regardless of any individual's perceived trustworthiness and reliability. The operative notion is that fraud is far less likely to occur if it requires collusion between two or more employees than if a single individual can act alone.

There are four general types of duties that should be separated:

- Separation of operational responsibility from record keeping responsibility.
- Separation of the custody of assets from accounting.
- Separation of the authorization of transactions from the custody of related assets.
- Separation of duties within the accounting function.

No organization is immune from fraud and no system of internal control is perfect. In part this is because the controls built into a system come at a cost and as in most things, there is a cost benefit relationship to be evaluated. There is also at times a trade off between control and operational efficiency. Frequently, management will rely on compensating controls to overcome a weakness in the system of internal control such as inadequate separation of duties. Compensating controls can at least provide for prompt detection of problems that are not preventable due to the absence of more direct controls. For example, the use of procurement card carries some inherent risks due to the removal of some separation of duties that exist in the traditional procurement and account payable process. Compensating controls are built into process to reduce the risk of undetected misuse in order to reap the significant benefits of increased operational efficiency that usage of procurement cards brings.

The UW System policy on steps to be taken when fraud is suspected is attached (Attachment 2) and can be found on the Financial Administration web-site at http://www.uwsa.edu/fadmin/fppp/fppp16.htm.

Summary

The UW System control environment is characterized by an organization structure that establishes clear lines of authority and responsibility and by personnel practices that foster competent staff who are fairly classified and compensated. The fiscal environment is controlled to a significant degree by the scrutiny that deviations from budget receive both by UW financial managers and by the Department of Administration. Fiscal operating policies are developed cooperatively to ensure a balance between control and operating efficiency. Transaction level control are established by campus financial managers with a view toward separation of duties and the other key elements of internal control to ensure that only valid transactions are recorded, that valid transactions are recorded promptly and accurately and that assets, including cash, are safeguarded.

Attachment 1

UW System Institutions: Typical Subcyles

Revenue Cycle:

Academic and Segregated Fees Subcycle
- Credit Instruction
- Outreach Instruction

Auxiliary Operations Subcycle
- Residence Halls (room and board)
- Dining facilities
- Student Center activities
  - Food service
  - Conferences and registrations
  - Student organizations
  - Activities/Programming
- Bookstore
- Textbook Rental
- Parking
- Camps
- Ticket Sales
- Space and Facility Rentals
- Other

Service Centers Subcycle
- Stores
- Physical Plant
- Fleet
- Copy Centers

Sales and Services of Educational Activities Subcycle
- Conferences
- Field Stations and Farms

Sponsored Projects Subcycle
- Federal grants and contracts
- State grants and contracts
- Private grants and contracts

Contract Services Revenue Subcycle
- Dining
- Bookstore

Gift Subcycle

Investment Income Subcycle

Attachment 1

UW System Institutions: Typical Subcyles

Disbursement Cycle

- Payroll and Fringe Benefits Subcycle
  - Unclassified Payroll
  - Classified/LTE Payroll
  - Student Payroll
- Payroll Adjustments/Special Payrolls

- Vendor Payments Subcycle
  - Check with order
  - Paid by contingent fund check
  - Paid by state check
  - Petty cash fund disbursements
  - Blanket order purchases
  - Procurement card purchases

- Construction Payments Subcycle

- Financial Aid Subcycle

- Disbursements of Outlying Operations Subcycle
- Study abroad and foreign research programs

Cost Allocations Cycle:

- GPO Pool Cost Distribution

- Chargeback Operations
  - Various subdivisions

- Centralized Services Chargeback to Auxiliary Operations

- Indirect Costs/Overhead

Property Control Cycle:

- Land and Buildings
- Library Holdings
- Special Collections
- Capital Equipment
- Non-capitalized Equipment
- Retail Sales Inventory
- Physical Plant Supplies Inventory
- Stores
- Other Supplies Inventories

Attachment 1

UW System Institutions: Typical Subcyles

Cash and Investment Management Cycle:

- Bank and Custodial Accounts
  - Deposit Accounts
  - Contingent Fund Accounts
  - Change and Petty Cash Funds
  - Agency Accounts
- Endowment

Budget Management Cycle:

- GPR appropriations
- PR appropriations

Debt Management Cycle:

- Capital Leases
- Installment Purchases
- Building Corporations
- State of Wisconsin General Obligation Bonds
  - Academic Facilities (GPR supported)
  - Self Amortizing (PR supported)

Financial Reporting Cycle:

- Management Reporting
- Grant and Contract Reporting
- GAAP Basis Financial Reporting
  - Current Funds
  - Loan Funds
  - Endowment Funds
  - Plant Funds

Attachment 2

UW System Financial and Administrative Policy: Breach of Fiscal Integrity

I. Background

Acts of embezzlement, theft, and financial conflicts of interest can and do occur in any organization, including our large and decentralized system of universities. These acts carry legal implications for the university employe, both as an employe and as a citizen, under the criminal law. Concern for a university's fiscal integrity must also be matched by concern for just and fair treatment of a suspected offender. For this reason, the choice is not simply between discipline or discharge on the one hand and criminal prosecution on the other. If a university employe is found, or suspected to be, engaged in financial misconduct, the employe's supervisors cannot in these instances select restitution, discipline or discharge as exclusive alternatives to referral for criminal prosecution. In some instances, discipline or discharge and referral for criminal prosecution will be indicated, because of the magnitude of the wrongdoing, its aggravated nature, or other factors; in others, discipline or discharge of the employe will be a sufficient response to the situation. A determination as to the appropriate course of action in any given case can be made only after thorough inquiry into the facts and circumstances and consultation with the university and System administrations.

II. Procedures

A. As soon as there is any indication of actual or suspected theft, embezzlement or falsification of documents, the following steps should be taken:

1. The discovering party should immediately notify the Unit Business Officer of the situation, who, in turn, should immediately notify the Chancellor and the System Vice President and Trust Officer.

2. The System Internal Auditor, in cooperation with appropriate institution officials designated by the Chancellor, will immediately, yet discreetly, investigate the matter and determine if audit assistance is needed.

3. Following a full investigation and verification of wrongdoing, determination will be made by the Internal Auditor, the General Counsel's Office and institutional officials of whether to notify the Criminal Litigation Unit of the Department of Justice.

4. Upon notification from the university, the Criminal Litigation Unit will advise as to what, if any, criminal laws have been violated or what additional investigation may need to be done before a determination can be made as to whether or not a violation has taken place.

5. At any time following notification to the Criminal Litigation Unit, the Chancellor, in consultation with the Internal Auditor, the General Counsel's Office and representatives of the Criminal Litigation Unit, may initiate an appropriate internal course of action, which may include disciplinary action or dismissal of the involved employe. If it appears that a criminal law may have been violated, criminal charges shall be preferred unless the Chancellor, in consultation with the appropriate legal authorities, determines there is convincing reason to conclude that the public interest would not be served by prosecution. The Criminal Litigation Unit shall be advised of these determinations and the reasons for them.

6. If federal funds are involved, appropriate federal authorities shall be notified.

7. In cases involving a substantial sum of money, consideration shall be given to civil suit to recover the funds where satisfactory arrangements for restitution have not otherwise been made.

B. In actual or suspected cases of financial conflicts of interest, s. UWS 8.04, Wisconsin Administrative Code, will be followed.

November 8, 2002 Agenda Item I.2.c.(1)

UW FOUNDATION PERSPECTIVE ON HEDGE FUNDS

UNIVERSITY OF WISCONSIN FOUNDATION
ENDOWMENT FUND
HEDGE FUND SUMMARY

At the October 18th investment committee meeting, the UWF Staff and Investment Sub-Committee will recommend that the Endowment increase its exposure to hedge funds by 10%, totaling 20% of the total Endowment. The following points are based on our review of hedge funds and will address the rationale for increasing this exposure.

What do we mean by hedge funds?
Hedge fund is a simple name for a complex set of multiple strategies. Hedge fund performance varies from strategy-to-strategy (long/short versus merger arbitrage) and manager-to-manager (long/short with long bias versus long/short with neutral bias). Estimating the future performance of hedge funds must take into account the overall strategy of the program and the strategies used to achieve this objective. Objectives range from increasing return using degrees of leverage to reducing risk to ideally achieving both.

What kinds of returns have been experienced in this bear market?
Hedge funds have demonstrated that they produce returns uncorrelated with equity market averages and, most importantly, preserve capital [1]. This has been the experience of UWF where, YTD through 8/31, the total return has been +2.1%. Since inception of the program in June of 2001, the cumulative return has been +7.8%. Of the 22 funds YTD, 13 have positive returns, 5 have returns between 0 and –5.0%, and 4 have returns less than –5.0%. From inception, 17 have positive returns, 2 have returns between 0 and –5.0%, and 3 have returns less than –5.0%.

How can hedge funds outperform other asset classes?
Hedge funds give managers flexibility versus long-only managers who concentrate on outperforming a benchmark. Managers can trade on positive and negative news by being able to be long or short or by holding higher levels of cash. The ability to use leverage generates higher returns for those managers exhibiting positive performance. Managers can also act on a larger opportunity set by trading on relationships between asset prices and the volatility of their price changes.

Are hedge funds completely uncorrelated or have low correlations to equities?
Actually, hedge funds have been increasingly correlated to the equity markets, especially in severe bear markets like the one we find ourselves in today. Hedge funds had incredible double-digit returns in the late 1990's and have fallen to single-digit to negative returns in the 2000's. The primary factors for the decline is:

- Many hedge funds have long biases despite being called long/short strategies. Other strategies such as distressed and event driven rely on improving economic conditions and deal flow in the capital markets.
- Credit spreads decline with equities, which hurt fixed income and convertible arbitrage performance.
- Most hedge fund managers target a multiple [2] or a spread over the risk free rate. Historically low interest rates have reduced nominal returns.
- Hedge funds tend to use limited leverage in falling markets to reflect the caution of the managers. This will reduce expected returns, but also reduce expected risk.

Will the increased amount of dollars invested in hedge funds hurt future performance?
Increased demand has dramatically raised the amount of dollars invested in hedge funds. This hurts the performance in two ways: 1) more money chasing the same strategies will limit the opportunities available, and 2) the "best" managers will have already closed their funds. LW's response to this issue is the following: [1]

- LW estimates that hedge funds control approximately $500 - $600 billion of assets – a small proportion considering all assets under management. Therefore, even though interest and growth have been great, the relative size of hedge funds is still manageable.
- From a base level of $40 billion in 1990, hedge funds have grown at an annualized rate of slightly more than 25% for the past 11 years (includes market value appreciation). Growth has slowed significantly, however, starting in 1998. After recovering in 1999, growth has slowed as the equity markets have declined since early 2000. Continuation of this slowdown is anticipated with

[1] Based on Lyster Watson research.
[2] Based on Jeffrey Slocum research.

investment banks de-emphasizing proprietary trading and investors lacking the opportunity to invest new dollars.

- As the industry has grown, so too has the number of strategies employed by managers. Initially concentrated in largely directional equity strategies, the industry has evolved to include a range of single and multi-strategy managers specialized in both debt and equity.
- The issue of closed funds from the "best" managers may no longer be a significant factor. With market performance, some closed funds are now accepting new investors. The best managers, who rode the wave of the bull market, may no longer be the best managers for the future. LW reports that some of the best managers are also experiencing diminishing returns.

What about the risks I hear about hedge funds?

The risk profile of hedge funds also differs from traditional assets. Most asset classes experience market cycles with bull and bear markets. Hedge funds are more at risk for "blow-ups" in the portfolio as shown by Long Term Capital in 1998. At that time, LTC's explosion lost money for its investors and pulled all hedge fund returns down in its wake. Today, by diversifying through different strategies and different funds, the risk of blow-ups is reduced, but not eliminated.

What has been the UWF experience with its existing 10% allocation to hedge funds?

UWF's current hedge fund exposure is 10% and is managed by Lyster Watson (LW). The portfolio holds 22 individual funds, diversified across nine hedge fund "strategies". The overall strategy is a fixed-income replacement strategy – low risk, low correlation to equity, and returns consistent with preserving capital as a goal.

The LW program has been in place 14 months as of August 31, 2002. The cumulative return has been +7.81% (net of fees). Excluding AQR Absolute Return and Fir Tree Institutional Value (hedge funds not chosen by LW), the cumulative return has been +5.87%.

What decisions need to be made in order to increase the hedge fund exposure to 20%?

- The UWF 2002 capital market assumptions estimate that hedge funds will return 9.0% with a standard deviation of 9.0% - consistent with a fixed income replacement strategy. With a Sharpe ratio of 0.56, hedge funds are the most attractive asset class to the asset allocation model.
- A decision needs to be made on the return / risk profile for the additional 10%. One strategy is to have a lower return / lower risk target – similar to our fixed income replacement strategy with Lyster Watson. Another strategy is to have a higher return / higher risk or a more equity-like strategy by using more long-biased funds or adding degrees of leverage.
- The addition of 10% to hedge funds can be achieved through various methods:
  - UWF can continue its fixed income replacement strategy or execute a more equity-like strategy with our current consultant, Lyster Watson. The benefit of this method is the ease of execution and our recent success with LW. The negative is adding more dollars to the same consultant, which does not expand our database of hedge fund managers.
  - A new fund of hedge funds or separate account manager search can be accomplished. This would broaden our exposure to new hedge fund managers and diversify us from LW biases. Slocum subscribes to this view and has a number of FoHF managers that they follow. The potential negatives are less familiarity with the new firm and the fees associated with fund of hedge fund managers.

[1] Based on Lyster Watson research.
[2] Based on Jeffrey Slocum research.

University of Wisconsin Foundation
Current "Fixed Income Replacement" Portfolio
Hedge Fund Portfolio by Sector

Objectives for Existing Program

Objective	Target	Actual
Absolute Returns:	8-11% above Treasury Bill yields	Since inception, 6.67% above 3 Mo Treasury Bills
Volatility:	1/3 to 1/2 that of the Equity Market	Volatility: 2.4% (as of 6/30/02)
Correlation:	Small equity market correlation (returns largely independent of stock market performance).	Correlation to S&P 500: 0.1% (as of 6/30/02)

Sector Performance

	% of Portfolio	9/30/2002 Balance	1Q2002 Return	2Q2002 Return	3Q2002 Return	2002 YTD Return	Cumulative Return *
Convertible Arbitrage	12.34%	$ 8,802,569	1.19%	0.81%	0.42%	2.39%	10.03%
Distressed	23.80%	$ 16,523,608	2.16%	-0.22%	-1.88%	0.30%	3.49%
Equity Long/Short	11.46%	$ 8,011,124	2.24%	2.26%	-4.25%	0.11%	5.36%
Event-Driven	7.58%	$ 5,264,146	1.28%	-2.29%	-3.94%	-4.94%	-3.29%
Fixed-Income Arbitrage	11.94%	$ 8,321,757	2.47%	3.74%	4.41%	11.00%	13.06%
Multi-Arbitrage	15.00%	$ 10,534,916	2.09%	-0.49%	1.09%	2.69%	8.78%
Quantitative Multi-Market	9.43%	$ 6,548,021	8.70%	11.64%	3.15%	19.62%	35.20%
Statistical Arbitrage	1.45%	$ 979,710		-2.37%	0.35%	-2.03%	-2.03%
Strategic Block	7.00%	$ 5,125,395	2.45%	-2.60%	0.79%	0.58%	7.33%
Total	100.00%	$ 70,111,246	2.15%	1.15%	-0.26%	3.06%	8.81%
% of Endowment	11.95%						

* Inception as of 6/2001

University of Wisconsin Foundation
Proposed "Equity-Like" Portfolio
Hedge Fund Portfolio by Sector

Objectives for an "Equity-like" Program

Objective	Target	Actual Targets
Absolute Returns:	10-12% target average annual return	
	Equity-like returns with downside protection	10-12%
	Highest returns during strong equity markets	
	No down years	
Volatility:	1/2 to 3/4 that of the Equity Market	8%
Correlation:	Controlled equity market correlation	
	(positive but muted at a statistically significant level)	50%

Sector Performance

	% of Portfolio
Convertible Arbitrage	0-10%
Distressed	20%
Equity Long/Short	30-50%
Event-Driven	0%
Fixed-Income Arbitrage	10%
Multi-Arbitrage	15%
Quantitative Multi-Market	0%
Statistical Arbitrage	0%
Strategic Block	0%
Global Macro	5%
Emerging Markets (Debt/Equity)	5%/5%
Total	100%

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
DISCUSSION OF HIGH YIELD DEBT
& EMERGING MARKET EQUITIES

EXECUTIVE SUMMARY

BACKGROUND

High yield fixed income and emerging market equities were included in the initial asset allocation study presented to the Business and Finance Committee in September as additional "traditional" asset classes worth consideration for the Long Term Fund, in that they could improve the Fund's risk/return profile. The purpose of this report is to further the case that these asset classes do make sense for inclusion at some level and through some means yet to be specifically determined and recommended.

REQUESTED ACTION

None. This item is informational only.

DISCUSSION

High yield fixed income represents debt of issuers with below investment-grade creditworthiness, which must provide high coupon rates or high enough yields to compensate investors for the higher risk. The high yield market is now valued at some $850 billion, representing over 25 percent of all corporate debt and including some 1,500 issuers. UW System investment guidelines currently preclude fixed income managers from buying below investment grade or retaining securities that fall below this level without our permission. This effectively shuts out a large pool of investments that have historically offered higher risk-adjusted returns and significant portfolio diversification benefits. However, the unique characteristics of high yield and the market they trade within, suggest specialized high yield investment managers.

Emerging market equities are stocks of companies domiciled in lesser-developed countries that are beginning to experience rapid economic growth and market liberalization. The capitalization of emerging markets has grown rapidly over the past decade and yet still comprises only 8 percent of the world's total stock market capitalization. Although emerging market stocks should theoretically benefit from greater underlying economic growth, they are subject to risks that developed market equities are by and large not: political, regulatory, taxation and profit repatriation, and currency risk (which cannot be hedged). In addition, investment costs are high. Although providing diversification, over its fairly short history, this asset class has not provided attractive risk-adjusted returns. Over shorter periods it has, and it may well be poised to do so going forward. Again, the uniqueness and inefficiencies of this market suggest specialized managers.

It is anticipated that as part of the final asset allocation recommendations, a recommendation will be made that the investment guidelines for the Long Term Fund include high yield and emerging market equities as approved asset classes, within certain ranges.

RELATED REGENT POLICIES

None.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Discussion of High Yield Debt and Emerging Market Equities

BACKGROUND

Both high yield fixed income and emerging market equities (and debt) were included in the initial asset allocation study presented to the Committee in September as additional "traditional" asset classes worthy of consideration for the Long Term Fund. "Traditional" here means that they are represented by publicly traded financial securities. The purpose of this paper is to further the case that these asset classes do make sense for inclusion, at some level and through some means yet to be specifically determined and recommended. As such, this paper is informational only.

HIGH-YIELD FIXED INCOME

Overview of the Market

High yield bonds are often referred to as "junk bonds." The credit rating system applied by the major credit-rating organizations (e.g., Moody's and S&P) is used to determine what constitutes junk and what constitutes quality in terms of creditworthiness and probability of default. The lowest "investment grade" ratings from Moody's/S&P are Baa3/BBB-. Bonds rated below BBB, or Ba1/BB+ down to B3/B-, are "below investment grade" and are considered to be distinctly speculative and of low creditworthiness. Bonds rated below single B (the C and D categories) are considered predominantly speculative, exhibiting substantial risk or even in default. Junk bonds are probably more aptly referred to as high yield bonds. They are "high yield" because the issuers' lower creditworthiness requires them to pay higher interest rates to attract investors.

Regarding the size of the market, as of June 30, 2002, the total high yield market was valued at approximately $850 billion, representing over 25 percent of all corporate debt, and included some 1,500 issuers. The weighted average coupon was 8.90 percent, and the credit rating profile was 51 percent BB and 37 percent B. Not surprisingly, the economic downturn in 2001-02 and the more recent corporate accounting scandals have caused this market to balloon. In the second quarter of 2002 alone, the market grew by $79 billion, or some 25 percent. The market is now cluttered with many "fallen angels" such as WorldCom, Qwest, Tyco and Adelphia. ("Fallen angels", also known as "big uglies", are large issuers that were investment-grade but have fallen into the "junk" category.)

Although the high yield market is fairly well diversified from an industry concentration standpoint, particularly with "fallen angels" coming from all industries, but the diversity of regular high yield issuers (generally more mid-market companies) differs from the high quality market. For instance, telecom is the largest industry represented, accounting for some 20 percent of the high yield market, while cable television is second, at nearly

15 percent. By contrast, while banking and finance are the largest issuers of high quality debt, they issue very little in the high yield market. (Barry Coffman, "High-Yield Bonds," Association for Investment Management and Research, 2001)

Sources of Risk

Most analysts and investment professionals consider high yield bonds to be hybrid securities, hybrid in the sense that they exhibit both debt and equity characteristics, including risk. As such, equity-like analysis of the firm should go hand in hand with traditional credit analysis. As with equity, and unlike quality bonds, there is the possibility that you will lose all or a significant part of an investment in high yield. Historically, default rates in the high yield universe (1986-2001) have averaged some 4 percent; however, there have been years (1990, 1991, and 2001) where rates have been as high as 10 percent.

In terms of the risks all bonds are susceptible to, high yield bonds are generally more susceptible than their high quality counterparts. This is certainly true of credit and liquidity risks; however, high yield bonds are not as highly correlated with interest rate movements. The greater illiquidity of high yield bonds also results in much wider bid-ask spreads than with high quality bonds.

More like stocks in their volatility, we have assumed an annual standard deviation of 8 percent for high yield, versus 6 percent and 17 percent for investment grade bonds and large-cap stocks, respectively has been assumed.

Sources and Levels of Expected Returns

A significant portion of high yield returns will come from their higher coupon rates and yields. Over the long term, one would expect to realize the historical average coupon rates on high yield. Price fluctuations, and interim periods generating capital gains or losses, due to changing interest rates and economic cycles (resulting in widening or tightening of spreads) would be expected to average out over the longer term. This is generally the case for investment grade debt, but for high yield, the wildcard is the level of actual defaults. Unless a bond/issuer defaults, the investor will realize the coupon or yield if the bond is held to maturity.

Annual return assumptions used in the September 2002 initial asset allocation review for high yield, investment grade fixed income, and U.S. equities were 7.25 percent, 5.75 percent, and 9.50 percent, respectively.

Investment Management Considerations

The focus of active high yield management must be on individual bond characteristics, the fundamentals of the issuer, and the downside risk of default. Therefore, active managers with the best chance for outperformance will be those exhibiting very strong credit analysis capabilities coupled with fundamental, equity-like research capabilities.

Additionally, the illiquidity of the market and the wide bid-ask spreads necessitate other capabilities. "Most large managers have trading desks dedicated to this market. Trading and executing in the high yield market is rather like going down to the Lower East Side every single day and haggling with a variety of vendors over the same piece of merchandise. This process has not changed much over the past 10-15 years, so having good relationships with the Street is critical. Also, having a good legal department is vital, not only to analyze indentures at the time of purchase, but to deal with the inevitable workouts that will arise." (Coffman, "High-Yield Bonds")

There does seem to be convincing evidence that good managers can add value over passive alternatives. The market is much less efficient than investment grade: many issuers are less followed/researched and the "fallen angels" are often victims of significant overreactions by the market as a whole, providing frequent opportunities. And a key to adding value versus the indexes is avoiding or experiencing much lower levels of default. Diversification is an important risk control here, and fortunately the depth and size of the high yield market now make diversification very achievable.

Some high yield managers supplement their core holdings in typical corporate bonds with smaller positions in "non-traditional" high yield sectors; these may include emerging market debt (usually dollar-denominated), commercial mortgage-backed securities (CMBS), and syndicated high yield bank loans. Such strategies may or may not prove compelling as managers are potentially evaluated for a high yield mandate.

Institutional investment management fees for high yield can be expected to range from 0.50 percent to 0.75 percent, considerably higher than investment grade management, which averages around 0.30 percent. The greater research intensiveness required (similar to equities) and the potential for realizing alpha (excess return) would seem to justify this level of fees, however.

Potential Portfolio Contributions

Primary portfolio contributions from high yield bonds are added diversification and superior risk-adjusted returns over full market cycles. High yield exhibits fairly low correlations with U.S. stocks and investment grade bonds: approximately 50 percent and 30 percent, respectively. The Sharpe Ratio for high yield (excess return per unit of risk) from 1985-2001 was 0.42 percent, versus 0.27 percent and 0.28 percent for stocks and investment grade bonds, respectively. The recent asset allocation review suggested that a 5-10 percent allocation to high yield should improve the risk/return profile of the Long Term Fund.

Spreads (or yields over and above those on comparable Treasuries) on high yield bonds are now near all-time highs over the past ten years, at some 800 basis points (an 8 percent spread). Therefore, it appears that the high yield market is at least fairly valued, if not

undervalued, in the current environment. It would likely not be an inopportune time to step into the market.

Some Conclusions

Per Regent Policy existing bond managers are limited to the high-quality universe; that is, they may not purchase below investment grade bonds, and if a holding falls to junk status, they are required to liquidate it or seek approval for limited retention. This is a typical constraint for high-quality bond managers; nonetheless, it effectively shuts out a sizable pool of investments that, in aggregate, have offered higher risk-adjusted returns and that, on occasion and more selectively, may offer very compelling opportunities.

Since high yield is comprised of fixed income securities or bonds, one may wonder whether it deserves to be considered a separate asset class. But as David Swenson of Yale points out in his book, "Pioneering Portfolio Management", asset classes may best be viewed as groups of investments that provide the same basic functions and serve the same basic role within the overall portfolio, not groups of investments that have the same structural or legal characteristics. In this sense, it would seem that high yield bonds could be considered a distinct asset class. But would high yield, acknowledged to be a hybrid-like asset class, actually provide a unique function or role in the overall portfolio, something that a mix of equity and high-grade debt isn't already accomplishing? That seems to be a difficult question.

Nevertheless, the higher risk-adjusted returns and the potential for active management to add significant alpha, continue to make high-yield a compelling component of a diversified portfolio with a long time horizon. If high yield's unique characteristics can provide a desirable role in the portfolio and active management can be successful, this would suggest a dedicated allocation to it and, most likely, a dedicated and specialized investment manager.

EMERGING MARKET EQUITIES

Overview of the Market

Emerging markets are those of lesser-developed countries, which are beginning to experience rapid economic growth and market liberalization. Examples of emerging market countries include Mexico, Malaysia, and Thailand. The International Financial Corporation (IFC) lists 79 countries that are now considered to be emerging market economies. Generally, these countries are characterized by a growing population, which is experiencing a substantial increase in living standards and income, rapid economic growth, and a relatively stable currency. And while the average growth in the GDP of developing countries was only 0.9 percent in 2001, this was almost double the 0.5 percent growth rate of industrialized countries. According to the International Monetary Fund

(IMF), emerging markets are expected to grow twice as fast as the industrialized countries through the current decade.

The rapid development of the emerging stock markets, both in terms of size and activity, is one of the most exciting stories in today's financial markets. Shown below are the market capitalizations (outstanding shares times price) of major emerging markets over the past decade:

Some Emerging Equity Market Capitalizations ($billions)			
	1990	***1995***	***2001***
Brazil	$16	$148	$167
Korea	$111	$182	$247
Mexico	$33	$91	$152
South Africa	$138	$280	$175
Taiwan	$101	$187	$289
Totals	$383	$740	$1,030

Source: Standard & Poor's

Although market capitalization of key markets has grown significantly, it should be noted that total capitalization of all emerging equity markets constitutes only 8 percent of the capitalization of the world's equity markets. If an investor wanted to invest globally on an unbiased capitalization-weighted basis, s/he would invest 8 percent of equities in emerging markets.

Total foreign investment in emerging markets has increased to an estimated $636 billion, up from a few hundred million dollars in the early 1980s. Most of this investment has gone to markets in Asia and Latin America, regions that have had rapid economic development over the past decade. In turn, this influx of investment capital has fueled further economic growth in these countries.

Sources of Risk

Aside from typical equity-risk characteristics, emerging market equities are also subject to risks quite unique compared to their developed market counterparts. These include the risk of political instability, the risk that foreign investment will be limited, that repatriation of profits will not be allowed, that taxation will change dramatically, that immature institutional infrastructure (markets, legal and judicial systems, corporate governance and shareholder protections, etc.) will deteriorate, and the overall risk that the economy will be poorly managed (leading to catastrophes such as huge budget deficits, hyperinflation, and massive currency devaluation). From this, it is not surprising that research indicates that country and currency factors dominate investment returns.

In recent years too, we have seen the phenomenon of emerging market "contagion", where a localized catastrophe quickly spreads to the immediate region and even to distant emerging markets. Suddenly, the emerging markets themselves become highly correlated with each other at the precisely worst times. One example was the crisis in Thailand, which led to the severe devaluation of their currency, the baht. Other emerging market low-cost exporters were forced to devalue their currencies to remain competitive.

And potential currency devaluations highlight another key risk for foreign investors: currency risk. In developed markets, there are currency forward and futures markets, which permit the hedging away of currency risks. Unfortunately, there are no such derivatives markets for the emerging market currencies. On the other hand, some emerging countries have their local currencies pegged to the dollar, which can result in a relatively constant exchange rate; however, they are still subject to volatility. All in all, currency risk is substantially higher in emerging versus developed markets.

Sources and Levels of Expected Returns

Theoretically, due to the higher, and often unique risks inherent in emerging market equities, their risk premium should be commensurately higher than that of developed market equities (and other asset classes for that matter). And to sufficiently long-term investors, higher returns should be realized. Also theoretically, the increased growth potential of their economies should translate into higher growth in corporate earnings and, some think, higher stock returns.

Unfortunately, over their entire history as tracked by the major indexes, emerging market equities have decidedly not lived up to their theoretical billing: they have underperformed developed market equities significantly and with much greater volatility, which translates into very poor risk-adjusted returns. To have realized decent returns here, one would have had to market-time successfully, such as investing after the Russia/Long Term Capital Management crisis of 1998.

Investment Management Considerations

Because country and currency exposures will dominate the returns of an emerging market portfolio, the potential to add significant value through such top-down decisions and the inherent inefficiencies and mispricings at the security level, seem to make the asset class ripe for hard-working active managers to succeed. Again from David Swenson: "In contrast to the generally fair relative valuations in developed markets, emerging markets swing from one wild extreme to another, allowing profitable trades from purchases of deeply out-of-favor countries and sale of currently hot prospects." (David F. Swenson, *Pioneering Portfolio Management*, The Free Press, 2000) And as with high yield, the unique characteristics of this asset class, and the need for managers/analysts to be "on the ground" in these countries and with these companies (not just in a plush leather seat in the London office), seem to demand a specialized, dedicated investment manager, not one who just dabbles in them occasionally.

In addition to the unique risks of investing in emerging markets, investors must also overcome very high investment costs. The biggest element is transaction costs (broker commissions, taxes, and bid-asked spreads); these are estimated to be as high as an amazing 4 percent. High turnover will therefore seriously detract from performance and should be minimized. On top of this are operating costs (custodial, legal, accounting fees, etc.), estimated to run about 0.2 percent to 0.3 percent of assets and investment management fees, which typically range from 0.8 percent to 1.5 percent. It has been estimated that total investment costs for an emerging market equity account are between 2 percent and 5 percent annually, creating quite a hurdle right out of the blocks. (Seth J. Masters, "Emerging Markets," *The Journal of Portfolio Management,* Institutional Investor, Inc., 2002) Because of these cost issues, it probably makes sense for all but the largest institutional investors to invest in pooled vehicles, rather than separate accounts, so as to create the scale needed to at least control operating costs.

Potential Portfolio Contributions

Although the diversification benefits seem clear from current and historical standpoints (indicating low correlations to other asset classes), the historical risk/return profile of emerging market equities does not look compelling. There have been and will be significant time periods where this asset class strongly outperforms. Current relative valuations of emerging markets do indeed look attractive, and they may well be poised to outperform over the near-term. Although these comments may suggest only opportunistically investing in emerging market equities, as stated earlier, specialist managers should be employed, and this may be difficult on an opportunistic basis.

Some Conclusions

As with high yield, one can also question whether emerging market equities are a distinct asset class or merely a subset of international equities (or even global equities). Again, although structurally similar to other equities, the differences in fundamental risk characteristics, and the role that would be expected of them in a portfolio, suggest that they be considered a separate asset class. Certainly as the economies of emerging markets become more globally integrated and their institutional infrastructures more mature and stable, their unique risk factors will diminish.

One possible conclusion from this entire discussion is that investing in emerging "economies" does and will make sense, but not necessarily in emerging "countries." That is, investing in a country that does not have the institutions and governance (including democracy) to reasonably ensure free and efficient markets, property rights, and sensible economic policies (and even a short "tradition" of these), may simply be too risky. History so far has borne this out; investors have been dismally compensated for such risks. However, once some of these "countries" become reasonably well developed from these standpoints, and yet remain emerging, high-growth potential economies, they

should be strong candidates for investment. Most of what is now considered the "emerging markets" may have a long way to go in this regard.

PEER USAGE OF BOTH HIGH YIELD AND EMERGING MARKET EQUITIES

The following chart shows the allocation to these asset classes by various university endowment peer groups.

Asset Class	UW	NACUBO All Pools	Commonfund All Pools	NACUBO $100-$500M	Commonfund $100-$500M	Big Ten Average
Developed Market. Equities	67.0%	57.1%	48.1%	60.2%	57.0%	57.0%
Emerging Market Equities	***0.0%***	***2.6%***	***2.9%***	***0.9%***	***1.0%***	***1.2%***
Fixed Income	23.0%	24.6%	21.0%	23.9%	28.0%	22.5%
High Yield Fixed Income	***0.0%***	***0.8%***	***2.0%***	***0.6%***	***2.0%***	***1.3%***
High Yield + Distressed	***0.0%***	***1.1%***	***N/A***	***1.0%***	***N/A***	***2.5%***
Alternatives	10.0%	5.0%	21.0%	7.0%	10.0%	12.2%
Other	0.0%	9.6%	5.0%	7.0%	2.0%	4.6%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

- The figures for NACUBO pools are equal-weighted, while those for Commonfund pools are dollar-weighted.
- "Distressed" securities consist primarily of debt of bankrupt or otherwise financially distressed companies.
- The Alternatives category consists primarily of private capital and hedge funds.
- The Other category consists primarily of cash, real estate and energy and natural resources.
- The UW System Board of Regents approved a 10 percent allocation to the Alternatives category in June 2001.

Since the above data reflects only average allocations, it is useful to also look at the range of allocations. We have this data only for our peer group of universities, which is predominately the Big 10. For emerging market equities, allocations range from 0 percent to 6 percent; for high yield, allocations range from 0 percent to 9 percent.

SOME OVERALL CONCLUSIONS

The initial asset allocation review done in September indicated that, based on reasonable forward-looking capital market assumptions, allocations of from 5 percent to 10 percent to high yield and 10 percent to emerging market equities would meaningfully improve the risk/return profile of the Long Term Fund. In one scenario, expected return increased and expected volatility decreased. A more detailed analysis of these asset classes as outlined in this paper mostly confirm these indications; however, emerging market equities are not a perfectly clear call.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Discussion of High Yield Debt and Emerging Market Equities

At this time, it is anticipated that, as part of the final asset allocation recommendations, and as prelude to the upcoming investment manager search and rebid, a recommendation will be made that the investment guidelines include high yield and emerging market equities as approved asset classes, within certain ranges. As Trust Funds proceed with the manager search, begin to understand managers' capabilities and perspectives on these asset classes, and conduct further research (particularly in emerging markets), more definitive near-term target allocations (strategic or tactical) and vehicles to achieve them will be recommended.

Principal Expenditure
UW System Trust Funds
Mary W. Enerson Bequest

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon recommendation of the President of the University of Wisconsin System and the Dean of the University of Wisconsin-Madison Medical School, the principal and income balance of the Mary W. Enerson bequest becomes available for spending.

UW SYSTEM TRUST FUNDS
REQUEST FOR PRINCIPAL EXPENDITURE
Mary W. Enerson Bequest

EXECUTIVE SUMMARY

BACKGROUND

In the event a donor gives no direction as to the use of principal, current Regent policy requires that all quasi-endowments greater than $50,000 be identified as designated endowments. As a designated endowment, only the income from the trust is made available for expenditure. If an exception to this restriction is desired, a request must be submitted to the Vice President for Finance for consideration at the next meeting of the Business and Finance Committee. Only those requests that are consistent with the spirit of the Regent policy and the intent of the donor will be approved.

REQUESTED ACTION

Approval of request for principal expenditure.

DISCUSSION

The Board of Regents of the University of Wisconsin System has received a partial distribution in the amount of $200,000 from the estate of Mary W. Enerson for the benefit of the UW-Madison Medical School. The donor's last will and testament states the following:

> "FOURTH: All the rest, residue and remainder of my estate, of whatever kind and wherever situated, I give, devise and bequeath as follows:
>
> A. One third (1/3) to the UNIVERSITY OF WISCONSIN MEDICAL SCHOOL to be used for heart research:"

(The total bequest after final distribution is expected to be roughly $210,000.)

Dean Philip Farrell of the UW-Madison Medical School has requested that this bequest retain quasi-endowment status so that both principal and income is expendable. Dean Farrell states that the single most important research need currently is additional research space. And as with other recent sizable principal-unrestricted gifts for research, the Medical School believes that the best use for such funds is to help expedite the construction of the Interdisciplinary Research Center (IRC), which is part of the overall Healthstar project. Should this request be approved, the Medical School will select an appropriate naming opportunity to go along with this gift.

The existing policy does allow university officials to request, with appropriate justification, the use of principal of quasi-endowments over $50,000 when they feel it is in the best interest of the institution.

RELATED REGENT POLICIES

Resolution 5631 of 10-5-90 - Quasi-Endowment over $50,000.

November 8, 2002 Agenda Item I.2.d.(1)

SICK LEAVE REPORTS FOR UNCLASSIFIED STAFF

EXECUTIVE SUMMARY

BACKGROUND

The State legislature established a cap, effective August 1, 1987, on the amount of unused sick leave that can be converted annually by faculty and academic staff to pay for group health insurance upon retirement. Faculty and academic staff earn 12 days of sick leave per year. However, the annual conversion of sick leave credits is capped at 8.5 days for those with annual (52-week) appointments and 6.4 days for those with academic year (39-week) appointments. The sick leave cap does not apply to classified staff. The cap can be waived for an institution if it meets certain conditions. The purpose of this report is to meet one of the conditions.

REQUESTED ACTION

For information only.

DISCUSSION AND RECOMMENDATIONS

The sick leave conversion cap established in 1987 can be waived by the Secretary of the Department of Administration pursuant to s 40.05 (4) (bp) (2) & (3), Wis. Stats., if three conditions are met, as follows:

1. The institution's sick leave accounting system for faculty and academic staff is comparable to the system used by the Department of Administration for state employees in the classified service;

2. For teaching faculty and academic staff, the administrative procedures for crediting and use of earned sick leave is on a standard comparable to a scheduled 40-hour work week; and

3. The institution regularly (annually) reports on its sick leave accounting system to the Board of Regents of the University of Wisconsin System as required by s. 40.05 (4) (bp) (3)(c), Wis. Stats.

For meeting the first condition, the Department of Administration has provided four criteria, as follows: (1) the leave reporting system must be compatible with a systemwide reporting system; (2) it must provide for faculty and academic staff to report, at least monthly, sick leave used; (3) the institution must provide monthly leave status reports to faculty and academic staff, and; (4) leave records must be centralized in one office.

All institutions are required to meet the second condition by Unclassified Personnel Guideline (UPG) #10 which addresses sick leave use and colleague coverage. Institutional compliance with UPG #10 has been accepted by the Department of Administration as meeting this condition.

The third condition for waiver of the cap on sick leave conversion specifies that the institutions must regularly report to the Board of Regents on the operation of their sick leave accounting systems. The Secretary of the Department of Administration has directed that the institutions must report annually to the Board of Regents on their sick leave use and sick leave accounting system. The report before you today meets this condition. Attachment A is a report of the sick leave use for faculty and teaching academic staff by institution. Attachment B is a report of sick leave use by non-teaching academic staff by institution. Both reports are for the period of July 1, 2001 to June 30, 2002.

All institutions have received a retroactive waiver of the cap on accumulation of sick leave for conversion.

In Attachments A and B the columns headed "Days Earned" and "Days Used" were generated by the leave accounting system. The number of employees represents a head count as opposed to a Full Time Equivalent (FTE). Hence, the number of employees shown on this report should not be used for purposes other than for which it was derived, namely, to determine an average of sick leave used per employee.

Faculty & Teaching Academic Staff			Non-Teaching Academic Staff	
Fiscal Year	**% of Days Used**	**Avg. S. L.**	**% of Days Used**	**Avg. S. L. Days Used**
2001	**9.6%**	**1.1**	**28.1%**	**3.2**
2002	**9.4%**	**1.1**	**29.6%**	**3.3**

RELATED REGENT POLICIES

Regent Policy 73-10

Attachments

Attachment A

FACULTY AND TEACHING ACADEMIC STAFF
SICK LEAVE STATISTICS
FISCAL YEAR 2001-2002

INSTITUTION	NUMBER OF EMPLOYEES	DAYS EARNED	DAYS USED	% of DAYS USED	AVE. DAYS USED
Madison	3,675.0	41,751.6	3,477.8	8.3%	0.9
Milwaukee	1,145.0	13,082.8	1,319.8	10.1%	1.2
Eau Claire	509.0	5,858.9	341.4	5.8%	0.7
Green Bay	227.0	2,437.5	304.6	12.5%	1.3
La Crosse	413.0	4,920.0	298.8	6.1%	0.7
Oshkosh	499.0	5,750.2	499.0	8.7%	1.0
Parkside	206.0	2,494.6	122.0	4.9%	0.6
Platteville	262.0	3,159.2	357.6	11.3%	1.4
River Falls	274.0	3,152.4	256.6	8.1%	0.9
Stevens Point	418.0	5,008.9	301.2	6.0%	0.7
Stout	366.0	4,367.4	522.0	12.0%	1.4
Superior	134.0	1,599.0	234.0	14.6%	1.7
Whitewater	463.0	5,428.3	480.3	8.8%	1.0
Colleges	482.0	4,638.8	471.9	10.2%	1.0
Extension	432.0	4,908.0	1,212.0	24.7%	2.8
Total	9,505.0	108,557.6	10,199.0	9.4%	1.1

Attachment B

NONTEACHING ACADEMIC STAFF - ALL APPOINTMENTS
SICK LEAVE STATISTICS
FISCAL YEAR 2001-2002

INSTITUTION	NUMBER OF EMPLOYEES	DAYS EARNED	DAYS USED	% of DAYS USED	AVE. DAYS USED
Madison	5,953.0	68,249.7	19,163.5	28.1%	3.2
Milwaukee	1,084.0	12,473.6	4,275.1	34.3%	3.9
Eau Claire	312.0	2,777.1	549.8	19.8%	1.8
Green Bay	248.0	2,790.7	791.1	28.3%	3.2
La Crosse	317.0	3,259.1	826.3	25.4%	2.6
Oshkosh	421.0	4,813.6	1,437.7	29.9%	3.4
Parkside	176.0	1,986.7	688.4	34.7%	3.9
Platteville	192.0	2,266.8	512.2	22.6%	2.7
River Falls	157.0	1,682.9	451.9	26.9%	2.9
Stevens Point	282.0	3,124.8	1,105.0	35.4%	3.9
Stout	262.0	3,130.2	922.1	29.5%	3.5
Superior	138.0	1,319.8	267.2	20.2%	1.9
Whitewater	278.0	2,946.0	855.6	29.0%	3.1
Colleges	373.0	3,566.6	1,051.2	29.5%	2.8
Extension	607.0	6,860.6	2,902.0	42.3%	4.8
System Admin	102.0	1,148.9	446.8	38.9%	4.4
Total	10,902.0	122,397.1	36,245.9	29.6%	3.3

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2002-2003 - First Quarter

FISCAL YEAR 2002-2003	Extension	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
Total	**25,529,568**	**27,208,366**	**1,576,439**	**54,669,565**	**2,675,147**	**180,957,973**	**65,418,568**	**358,035,626**
Federal	**9,150,100**	**19,321,686**	**195,000**	**6,578,812**	**0**	**152,653,114**	**60,539,614**	**248,438,326**
Nonfederal	**16,379,469**	**7,886,680**	**1,381,439**	**48,090,753**	**2,675,147**	**28,304,859**	**4,878,953**	**109,597,300**
FISCAL YEAR 2001-2002								
Total	**12,497,502**	**19,760,058**	**286,059**	**32,588,845**	**2,576,124**	**182,996,168**	**53,699,033**	**304,403,789**
Federal	**8,904,960**	**16,608,435**	**200,000**	**10,958,666**	**0**	**130,770,600**	**49,056,849**	**216,499,509**
Nonfederal	**3,592,542**	**3,151,623**	**86,059**	**21,630,179**	**2,576,124**	**52,225,568**	**4,642,184**	**87,904,280**
INCREASE(DECREASE)								
Total	**13,032,066**	**7,448,308**	**1,290,380**	**22,080,719**	**99,023**	**(2,038,195)**	**11,719,535**	**53,631,837**
Federal	**245,140**	**2,713,251**	**(5,000)**	**(4,379,854)**	**0**	**21,882,514**	**11,482,766**	**31,938,817**
Nonfederal	**12,786,927**	**4,735,057**	**1,295,380**	**26,460,573**	**99,023**	**(23,920,709)**	**236,769**	**21,693,020**

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2002-2003 - First Quarter

	Extension	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
FISCAL YEAR 2001-2002								
Madison	4,383,730	14,185,455	1,576,439	46,817,928	2,662,042	171,029,269	15,406,955	256,061,818
Milwaukee	273,878	5,502,884	0	1,287,503	0	5,192,996	8,440,608	20,697,870
Eau Claire	92,710	986,252	0	0	0	552,790	4,279,018	5,910,770
Green Bay	0	789,922	0	57,750	0	162,827	2,072,977	3,083,476
La Crosse	1,458,320	179,055	0	1,234,387	4,000	1,878,274	4,863,554	9,617,590
Oshkosh	3,945,418	4,294,896	0	0	0	514,784	2,965,593	11,720,691
Parkside	1,275	42,752	0	17,430	0	11,507	3,567,444	3,640,408
Platteville	332,119	7,424	0	49,443	0	0	2,149,334	2,538,320
River Falls	148,978	158,841	0	1,014,834	0	51,000	2,315,192	3,688,845
Stevens Point	1,303,509	174,430	0	323,090	5,000	618,283	4,352,754	6,777,066
Stout	1,667,896	74,180	0	824,644	0	831,500	6,343,542	9,741,762
Superior	0	0	0	726,021	0	109,543	1,395,536	2,231,100
Whitewater	0	57,786	0	1,672,230	4,105	5,200	3,167,861	4,907,182
Colleges	5,594	9,045	0	43,475	0	0	4,098,200	4,156,314
Extension	11,916,141	0	0	595,829	0	0	0	12,511,970
System-Wide	0	745,444	0	5,000	0	0	0	750,444
Totals	**25,529,568**	**27,208,366**	**1,576,439**	**54,669,565**	**2,675,147**	**180,957,973**	**65,418,568**	**358,035,626**
Madison	2,443,984	7,149,235	195,000	1,421,792	0	145,296,966	11,836,930	168,343,907
Milwaukee	77,300	5,277,524	0	45,000	0	4,243,336	8,372,070	18,015,230
Eau Claire	60,605	986,252	0	0	0	528,722	4,279,018	5,854,597
Green Bay	0	789,722	0	0	0	7,027	2,072,352	2,869,101
La Crosse	1,121,917	179,055	0	1,157,493	0	1,407,285	4,863,554	8,729,304
Oshkosh	2,642,131	4,013,496	0	0	0	164,610	2,965,593	9,785,830
Parkside	0	0	0	0	0	0	3,545,104	3,545,104
Platteville	300,489	0	0	0	0	0	2,149,334	2,449,823
River Falls	88,118	99,973	0	727,259	0	0	2,294,800	3,210,150
Stevens Point	0	10,395	0	263,695	0	118,525	4,352,754	4,745,369
Stout	1,186,275	70,590	0	731,236	0	830,000	6,343,542	9,161,643
Superior	0	0	0	726,021	0	56,643	1,395,536	2,178,200
Whitewater	0	0	0	1,504,566	0	0	3,156,028	4,660,594
Colleges	0	0	0	1,750	0	0	2,913,000	2,914,750
Extension	1,229,281	0	0	0	0	0	0	1,229,281
System-Wide	0	745,444	0	0	0	0	0	745,444
Federal Totals	**9,150,100**	**19,321,686**	**195,000**	**6,578,812**	**0**	**152,653,114**	**60,539,614**	**248,438,326**
Madison	1,939,746	7,036,220	1,381,439	45,396,136	2,662,042	25,732,303	3,570,025	87,717,911
Milwaukee	196,578	225,360	0	1,242,503	0	949,660	68,538	2,682,640
Eau Claire	32,105	0	0	0	0	24,068	0	56,173
Green Bay	0	200	0	57,750	0	155,800	625	214,375
La Crosse	336,403	0	0	76,894	4,000	470,989	0	888,286
Oshkosh	1,303,288	281,400	0	0	0	350,174	0	1,934,862
Parkside	1,275	42,752	0	17,430	0	11,507	22,340	95,304
Platteville	31,630	7,424	0	49,443	0	0	0	88,497
River Falls	60,860	58,868	0	287,575	0	51,000	20,392	478,695
Stevens Point	1,303,509	164,035	0	59,395	5,000	499,758	0	2,031,697
Stout	481,621	3,590	0	93,408	0	1,500	0	580,119
Superior	0	0	0	0	0	52,900	0	52,900
Whitewater	0	57,786	0	167,664	4,105	5,200	11,833	246,588
Colleges	5,594	9,045	0	41,725	0	0	1,185,200	1,241,564
Extension	10,686,860	0	0	595,829	0	0	0	11,282,689
System-Wide	0	0	0	5,000	0	0	0	5,000
Nonfederal Totals	**16,379,469**	**7,886,680**	**1,381,439**	**48,090,753**	**2,675,147**	**28,304,859**	**4,878,953**	**109,597,300**

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2002-2003 - First Quarter

	Extension	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
FISCAL YEAR 2000-2001								
Madison	3,834,080	7,595,940	268,707	24,207,544	2,284,125	172,503,329	10,743,566	221,437,291
Milwaukee	89,230	5,446,087	3,144	1,116,206	0	4,733,391	7,400,910	18,788,968
Eau Claire	688,600	1,074,962	0	0	0	59,049	3,901,898	5,724,509
Green Bay	0	345,254	0	69,225	291,999	192,730	2,066,343	2,965,551
La Crosse	1,890,718	640,432	0	929,792	0	2,525,894	4,029,310	10,016,146
Oshkosh	3,583,292	1,881,420	0	0	0	171,391	2,919,909	8,556,012
Parkside	177,136	165,681	0	116,760	0	553,571	3,573,873	4,587,021
Platteville	16,000	0	0	393,070	0	0	2,108,491	2,517,561
River Falls	56,646	121,868	0	1,280,703	0	9,446	2,132,871	3,601,534
Stevens Point	494,142	62,732	0	5,000	0	1,350,572	3,925,560	5,838,006
Stout	983,814	81,482	0	910,902	0	820,022	3,599,529	6,395,749
Superior	0	0	5,000	683,911	0	1,439	1,132,967	1,823,317
Whitewater	0	6	0	2,397,128	0	75,334	2,913,806	5,386,274
Colleges	1,000	549,461	9,208	178,580	0	0	3,250,000	3,988,249
Extension	682,844	0	0	300,025	0	0	0	982,869
System-Wide	0	1,794,733	0	0	0	0	0	1,794,733
Totals	**12,497,502**	**19,760,058**	**286,059**	**32,588,845**	**2,576,124**	**182,996,168**	**53,699,033**	**304,403,789**
Madison	2,235,255	4,912,395	200,000	4,525,186	0	122,178,025	7,382,052	141,432,913
Milwaukee	0	5,256,042	0	299,784	0	3,634,803	7,238,112	16,428,741
Eau Claire	640,750	1,074,962	0	0	0	23,576	3,901,898	5,641,186
Green Bay	0	303,894	0	0	0	186,230	2,045,314	2,535,438
La Crosse	1,706,098	640,432	0	808,721	0	2,137,521	4,029,310	9,322,082
Oshkosh	2,827,292	1,877,874	0	0	0	96,458	2,919,909	7,721,533
Parkside	177,136	95,602	0	111,750	0	537,489	3,558,809	4,480,786
Platteville	0	0	0	323,628	0	0	2,108,491	2,432,119
River Falls	10,880	99,844	0	1,105,545	0	4,946	2,112,192	3,333,407
Stevens Point	12,240	558	0	5,000	0	1,103,020	3,925,560	5,046,378
Stout	921,764	69,676	0	833,057	0	793,198	3,599,529	6,217,224
Superior	0	0	0	683,911	0	0	1,132,967	1,816,878
Whitewater	0	0	0	2,262,084	0	75,334	2,902,706	5,240,124
Colleges	0	482,423	0	0	0	0	2,200,000	2,682,423
Extension	373,545	0	0	0	0	0	0	373,545
System-Wide	0	1,794,733	0	0	0	0	0	1,794,733
Federal Totals	**8,904,960**	**16,608,435**	**200,000**	**10,958,666**	**0**	**130,770,600**	**49,056,849**	**216,499,509**
Madison	1,598,825	2,683,545	68,707	19,682,358	2,284,125	50,325,304	3,361,514	80,004,378
Milwaukee	89,230	190,045	3,144	816,422	0	1,098,588	162,798	2,360,227
Eau Claire	47,850	0	0	0	0	35,473	0	83,323
Green Bay	0	41,360	0	69,225	291,999	6,500	21,029	430,113
La Crosse	184,620	0	0	121,071	0	388,373	0	694,064
Oshkosh	756,000	3,546	0	0	0	74,933	0	834,479
Parkside	0	70,079	0	5,010	0	16,082	15,064	106,235
Platteville	16,000	0	0	69,442	0	0	0	85,442
River Falls	45,766	22,024	0	175,158	0	4,500	20,679	268,127
Stevens Point	481,902	62,174	0	0	0	247,552	0	791,628
Stout	62,050	11,806	0	77,845	0	26,824	0	178,525
Superior	0	0	5,000	0	0	1,439	0	6,439
Whitewater	0	6	0	135,044	0	0	11,100	146,150
Colleges	1,000	67,038	9,208	178,580	0	0	1,050,000	1,305,826
Extension	309,299	0	0	300,025	0	0	0	609,324
System-Wide	0	0	0	0	0	0	0	0
Nonfederal Totals	**3,592,542**	**3,151,623**	**86,059**	**21,630,179**	**2,576,124**	**52,225,568**	**4,642,184**	**87,904,280**

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2002-2003 - First Quarter

INCREASE (DECREASE)	Extension	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
Madison	549,650	6,589,515	1,307,732	22,610,384	377,917	(1,474,060)	4,663,389	34,624,527
Milwaukee	184,648	56,797	(3,144)	171,297	0	459,605	1,039,698	1,908,902
Eau Claire	(595,890)	(88,710)	0	0	0	493,741	377,120	186,261
Green Bay	0	444,668	0	(11,475)	(291,999)	(29,903)	6,634	117,925
La Crosse	(432,398)	(461,377)	0	304,595	4,000	(647,620)	834,244	(398,556)
Oshkosh	362,126	2,413,476	0	0	0	343,393	45,684	3,164,679
Parkside	(175,861)	(122,929)	0	(99,330)	0	(542,064)	(6,429)	(946,613)
Platteville	316,119	7,424	0	(343,626)	0	0	40,843	20,760
River Falls	92,332	36,973	0	(265,869)	0	41,554	182,321	87,311
Stevens Point	809,367	111,698	0	318,090	5,000	(732,289)	427,194	939,060
Stout	684,082	(7,302)	0	(86,258)	0	11,478	2,744,013	3,346,013
Superior	0	0	(5,000)	42,110	0	108,104	262,569	407,783
Whitewater	0	57,780	0	(724,898)	4,105	(70,134)	254,055	(479,092)
Colleges	4,594	(540,416)	(9,208)	(135,105)	0	0	848,200	168,065
Extension	11,233,297	0	0	295,804	0	0	0	11,529,101
System-Wide	0	(1,049,289)	0	5,000	0	0	0	(1,044,289)
Totals	**13,032,066**	**7,448,308**	**1,290,380**	**22,080,719**	**99,023**	**(2,038,195)**	**11,719,535**	**53,631,837**
Madison	208,729	2,236,840	(5,000)	(3,103,394)	0	23,118,941	4,454,878	26,910,994
Milwaukee	77,300	21,482	0	(254,784)	0	608,533	1,133,958	1,586,489
Eau Claire	(580,145)	(88,710)	0	0	0	505,146	377,120	213,411
Green Bay	0	485,828	0	0	0	(179,203)	27,038	333,663
La Crosse	(584,181)	(461,377)	0	348,772	0	(730,236)	834,244	(592,778)
Oshkosh	(185,162)	2,135,622	0	0	0	68,152	45,684	2,064,297
Parkside	(177,136)	(95,602)	0	(111,750)	0	(537,489)	(13,705)	(935,682)
Platteville	300,489	0	0	(323,628)	0	0	40,843	17,704
River Falls	77,238	129	0	(378,286)	0	(4,946)	182,608	(123,257)
Stevens Point	(12,240)	9,837	0	258,695	0	(984,495)	427,194	(301,009)
Stout	264,511	914	0	(101,821)	0	36,802	2,744,013	2,944,419
Superior	0	0	0	42,110	0	56,643	262,569	361,322
Whitewater	0	0	0	(757,518)	0	(75,334)	253,322	(579,530)
Colleges	0	(482,423)	0	1,750	0	0	713,000	232,327
Extension	855,736	0	0	0	0	0	0	855,736
System-Wide	0	(1,049,289)	0	0	0	0	0	(1,049,289)
Federal Totals	**245,140**	**2,713,251**	**(5,000)**	**(4,379,854)**	**0**	**21,882,514**	**11,482,766**	**31,938,817**
Madison	340,921	4,352,675	1,312,732	25,713,778	377,917	(24,593,001)	208,511	7,713,533
Milwaukee	107,348	35,315	(3,144)	426,081	0	(148,928)	(94,260)	322,413
Eau Claire	(15,745)	0	0	0	0	(11,405)	0	(27,150)
Green Bay	0	(41,160)	0	(11,475)	(291,999)	149,300	(20,404)	(215,738)
La Crosse	151,783	0	0	(44,177)	4,000	82,616	0	194,222
Oshkosh	547,288	277,854	0	0	0	275,241	0	1,100,382
Parkside	1,275	(27,327)	0	12,420	0	(4,575)	7,276	(10,931)
Platteville	15,630	7,424	0	(19,998)	0	0	0	3,056
River Falls	15,094	36,844	0	112,417	0	46,500	(287)	210,568
Stevens Point	821,607	101,861	0	59,395	5,000	252,206	0	1,240,069
Stout	419,571	(8,216)	0	15,563	0	(25,324)	0	401,594
Superior	0	0	(5,000)	0	0	51,461	0	46,461
Whitewater	0	57,780	0	32,620	4,105	5,200	733	100,438
Colleges	4,594	(57,993)	(9,208)	(136,855)	0	0	135,200	(64,262)
Extension	10,377,561	0	0	295,804	0	0	0	10,673,365
System-Wide	0	0	0	5,000	0	0	0	5,000
Nonfederal Totals	**12,786,927**	**4,735,057**	**1,295,380**	**26,460,573**	**99,023**	**(23,920,709)**	**236,769**	**21,693,020**

2001-02 UNIVERSITY OF WISCONSIN SYSTEM NON-COMMERCIAL BROADCAST STATIONS' REPORT

EXECUTIVE SUMMARY

The Board of Regents of the University of Wisconsin System is the licensee of fourteen non-commercial educational broadcast stations located throughout the state of Wisconsin.

As the licensee, the Board of Regents is accountable to the Federal Communications Commission (FCC) for compliance with all statutory and regulatory requirements.

The purpose of the Broadcast Stations' Report is to provide the Regents with information essential to fulfill its responsibilities of maintaining the licenses in good standing.

UW System oversight of the stations is provided by the Office of the Senior Vice President for Administration, and by Regent and System presence on the Wisconsin Educational Communications Board of Directors. Regent Patrick G. Boyle serves as the UW Board of Regents representative and Senior Vice President for Administration David W. Olien serves as the designated representative of the UW System President.

REQUESTED ACTION

This item is for information only.

2001-02 UNIVERSITY OF WISCONSIN SYSTEM NON-COMMERCIAL BROADCAST STATIONS' REPORT

"The broadcast facilities and resources of the University . . . shall be so utilized as to advance the educational purposes of the University and serve to the fullest extent the interests and needs of the people of the state."

University of Wisconsin Board of Regents, January 1960

The Board of Regents of the University of Wisconsin System holds the licenses for 13 radio broadcast stations (12 FM and one AM) and one television station. All licenses are for non-commercial educational broadcast service. The President of the UW System delegates authority and responsibility for operational administration of these stations to chancellors of institutions at which the stations are located. The UW Colleges and UW-Parkside are the only institutions that do not have broadcast stations. UW-Extension operates WHA-AM and WHA-TV, Madison; WHID-FM, Green Bay; and WVSS-FM, Menomonie.

In some cases, institutional administration and operational supervision of individual stations are delegated to an academic department, with a departmental faculty member designated as general manager or director. In other cases, station directors are qualified academic staff or classified appointees, reporting to a department head, dean, or vice chancellor.

UW System broadcast stations are integrally associated with their home institutions and the communities they serve. Programming decisions are determined in light of audience and institutional needs, in keeping with the community service and outreach missions of the institution. Another important function of several of the stations is to provide academic opportunities to UW students enrolled in courses of study associated with the field of mass communications.

UW System Television and Radio Stations

Call letters	Location	Frequency	Watts of Power	Hours on Air: Mon.-Fri./Sat.-Sun.
WUEC-FM	Eau Claire	89.7 MHz	5,200	24/24
WHID-FM	Green Bay	88.1	17,000	24/24
WLSU-FM	La Crosse	88.9	8,300	24/24
WHA-AM	Madison	970 KHz	4,330	24/24
WHA-TV	Madison	512-518 MHz	870	24/24-18
WSUM-FM	Madison	91.7	5,600	24/24
WVSS-FM	Menomonie	90.7	1,050	24/24
WUWM-FM	Milwaukee	89.7	15,000	24/24
WRST-FM	Oshkosh	90.3	960	24/24
WSUP-FM	Platteville	90.5	1,000	20/17
WRFW-FM	River Falls	88.7	3,000	24/24
WWSP-FM	Stevens Point	89.9	11,500	20/21
KUWS-FM	Superior	91.3	8,300	24/24
WSUW-FM	Whitewater	91.7	1,300	20/20-20

WISCONSIN PUBLIC BROADCASTING

In the mid-1980's, to achieve statewide services and management economies, the Wisconsin Educational Communications Board (ECB) and UW-Extension (UWEX) developed a partnership, called "Wisconsin Public Broadcasting." The partnership oversees the operations of Wisconsin Public Television and Wisconsin Public Radio. It is maintained through an affiliation agreement outlining structural principles, functions, staff allocations, television and radio stations (including Board of Regents-licensed stations), and financial commitments.

Wisconsin Public Television. Wisconsin Public Television provides statewide public television service (except in the Milwaukee area*) via six TV stations (one of which is Board of Regents licensee WHA-TV), six translators, and three affiliate stations. In addition, more than 185 statewide cable systems carry Wisconsin Public Television signals. Wisconsin Public Television reaches more than 600,000 television households each week; its diverse programming serves the general public, life-long learners, PK-12 school children and teachers and university and college teachers.

WHA-TV is managed by UW-Extension and is located in Vilas Hall on the UW-Madison campus. The station has been on the air since 1954, and now operates 24 hours a day Monday through Saturday and 18 hours on Sunday. In 2001-02, WHA-TV employed 118 full-time and 55 part-time staff.

Wisconsin Public Radio (WPR). Wisconsin Public Radio combines the licenses, staff, and budgets for radio into a statewide joint service. It serves approximately 434,900 listeners each week and provides dual service throughout Wisconsin and adjoining states on two networks, the "NPR News and Classical Music Network" (223,800 listeners) and the "Wisconsin Ideas Network" (211,100 listeners).

The NPR News and Classical Music Network combines National Public Radio news, originating in Washington, D.C., and locally hosted and produced classical music. Eight stations are affiliated with this network, including Board of Regents-licensed stations WUEC (Eau Claire), and WLSU (La Crosse), and WVSS (Menomonee).

The Wisconsin Ideas Network is a talk network produced primarily in Wisconsin from studios in Madison and Milwaukee. It is comprised of 12 stations, including Board of Regents-licensed stations WHA-AM (Extension in Madison), WHID (Green Bay), WRST (Oshkosh), and KUWS (Superior).

UW SYSTEM BROADCAST STATIONS

UW System operates 13 radio stations and provides non-commercial educational broadcast program services to their listeners. Several stations provide student training and educational laboratory experiences in support of academic programs, and institutional outreach that acquaints the public with programs and activities of the university.

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* The 11 counties of the greater Milwaukee area of southeastern Wisconsin are served by WMVS (Channel 10) and WMTV (Channel 36), which are licensed to the Milwaukee Area Technical College. Both stations are affiliates of the Wisconsin Public Television network.

UW System radio stations can be classified in two categories, three "CPB-qualified" and ten "university" stations:

CPB-qualified stations meet or exceed criteria set forth by the Corporation for Public Broadcasting (CPB), a non-profit corporation that receives funds from the U.S. Congress to support public radio and television broadcasting throughout the nation. The criteria include requiring a minimum level of full-time professional staff, operating budgets, broadcast hours, and production facilities. Such stations are generally referred to as "public" radio and television stations. The radio stations are also members of National Public Radio, a non-profit corporation that produces and distributes programs to member stations and affiliates. UW System public radio stations are WHA-AM (Madison), WUWM (Milwaukee), and WLSU (La Crosse). WHA-TV is a member of PBS, the Public Broadcasting System.

These stations derive a portion of their annual operating budgets from Community Service Grants administered by the Corporation for Public Broadcasting. These direct grants to the stations are distributed according to each station's demonstrated ability to raise funds from the community and from other non-federal sources. The funds are used for production, equipment, and facilities expenses, and to pay for interconnection services. Previously, the CPB would allocate a separate National Program Production Acquisition Grant (NPPAG) to CPB-qualified radio stations. Currently, the NPPAG is rolled into the Community Service Grant and then allocated.

Station	Community Service Grant (CSG)
WHA-AM, Madison	$396,243
WLSU (FM), La Crosse	91,597
WUWM (FM), Milwaukee	172,301
WHA-TV, Madison	1,049,612

The ten *University* stations do not meet CPB criteria as full-time, professionally staffed stations. They have smaller operating budgets, less extensive production facilities, and few, if any, full-time professional employees. The primary budget support for the stations is from institutional allocations and segregated student fees, and operation is primarily by students. These stations are:

WUEC-FM, Eau Claire
WRFW-FM, River Falls
WVSS-FM, Menomonie
WWSP-FM, Stevens Point
WRST-FM, Oshkosh
KUWS-FM, Superior
WSUP-FM, Platteville
WSUW-FM, Whitewater
WHID-FM, Green Bay
WSUM-FM, Madison

SIGNIFICANT TELEVISION AND RADIO ACTIVITIES IN 2001-02

- WLSU-FM has been granted a construction permit for the planned move of the station's main transmitter from its current site on Grandad's Bluff to the Educational Communications Board (ECB) site near La Crescent, Minnesota. Grant money has been awarded to facilitate the move, which is planned on occurring during this fiscal year.

- Wisconsin Public Radio locally produces and nationally distributes *Michael Feldman's Whad'Ya Know?*, *Zorba Paster On Your Health*, *To The Best Of Our Knowledge*, and *Calling All Pets.*

- WHA-DT was launched on May 3, 2002. The digital broadcast was the first of Wisconsin Public Television's six transmitters. WPT is currently experimenting with "datacasting," or the transmission of data as part of the digital broadcast signal. Students at three Madison-area schools have part in the nation's first K-12 classroom tests of datacasting rich media content.

- WUWM was approached by Milwaukee Public Schools to operate the MPS station WYMS. MPS faced a large budget deficit, and MPS administration decided to begin looking for ways to lessen the financial burden of running the radio station using tax dollars. WUWM agree to assist MPS and allowed the district to rebroadcast its programming on WYMS while a more permanent plan was developed. Then-MPS Superintendent Spence Korte received numerous complaints about the move and said publicly, "In an effort to better focus our limited resources on program which have a direct impact on our students, we moved forward too quickly, and for that, I apologize." Korte announced he would not pursue a deal with WUWM, but return WYMS to its former programming and recommend that a community advisory board be established to outline a strategy for the station's future.

- Byron Knight, Director of Broadcasting and Media Innovations (Extension) and Malcolm Brett, Director of Public Television, are participating in the Penn State Conference on Public Service Media this fall. Chancellor Kevin Reilly (Extension) sits on the steering committee for the conference. The goal of the conference is to collaborate on best practices for emerging digital technologies that enhance the services that museums, libraries, educators, and public broadcasters provide to their communities. In addition, the conference will address collaborative organizing and financing strategies that enable museums, libraries, educators, and public broadcasters to implement this vision more fully and to meet federal, state, and community expectations.

- Under a letter of agreement signed June 10, 2002, Wisconsin Public Radio is managing WUEC. Dean Kallenbach, the regional manager of Wisconsin Public Radio, is charged with overseeing the station at present. While the current agreement expired September 15, 2002, UW-Eau Claire administration has requested and Wisconsin Public Radio has agreed to extend the agreement through December 2002. UW-Eau Claire administration is working through a process that will determine WUEC's long-term oversight.

- After successfully winning a number of prolonged legal battles with the Town of Montrose over eight years, the first on-air broadcast of WSUM was held on February 22, 2002 at 2:22 pm. The station was broadcasting via the Internet since 1996. WSUM broadcasts throughout Dane County on 91.7 FM.

- UW-Extension closed the Green Bay production unit of Wisconsin Public television and all fourteen employees of the unit were laid off effective June 30, 2002. Employees who are on layoff have rights under UWEX Chapter 12 to request a review of and hearing on the layoff decision.

- Chapter A Day celebrated its 75th Anniversary in 2002. As part of the 75th anniversary celebration, Wisconsin Public Radio sponsored a statewide tour featuring three Chapter A Day readers in *The Feuding Founders*, a dramatic presentation of the letters of John Adams and Thomas Jefferson. The tour included stops in Bayfield, Milwaukee, Brookfield, Chippewa Falls, Wisconsin Rapids, Sturgeon Bay, La Crosse, and the State Capitol. Karl Schmidt, Jim Fleming and Norman Gilliland appeared in costume as John Adams, Thomas Jefferson, and their mutual friend Benjamin Rush. The text is drawn from the exchange of letters as the two Founding Fathers attempted to "explain ourselves to each other" in the last decades of their lives.

- WVSS-FM (Menomonie) moved to a tower west of the city. Over the past year, the station operated from Bowman Hall at UW-Stout after the demolition of its former home in the Communications Center. The new tower site for WVSS became operational on August 30, 2002.

- Stations WWSP (Stevens Point), WSUM (Madison) and WSUW (Whitewater) discontinued webcasting this year due to increased fees for copyrights to performers. Stations incur royalty fees to webcast sound recordings, which are set by the Librarian of Congress per the Digital Millennium Copyright Act of 1998. According to many college station broadcast directors, the fees are too cost-prohibitive and many stations nationwide have stopped webcasting.

- Stations continuing to webcast include:

    - WPR webcasts its *NPR News & Classical Music* and *Ideas Network* programming.
    - Stations KUWS (Superior) and WUWM (Milwaukee) archive on their websites locally produced shows that an Internet user can access asynchronously.
    - Two stations webcast programming in 2001-02 and are not affiliated with an on-air radio station. These stations -- WUWW (formerly WYRE) at UW-Waukesha County and Student Radio Initiative (SRI) at UW-Eau Claire -- are not licensed with the FCC for this reason, but are registered to the Board of Regents for copyright protection purposes.

WUWW stopped webcasting temporarily to assess the financial feasibility of continued webcasts.

- UW System and the Educational Communications Board retained new broadcasting counsel this year. Dow, Lohnes and Albertson were retained in May 2002.

- Next year, WSUW (Whitewater) plan to automate the programming to enable the broadcast schedule to increase from 20 hours per day during the academic year to 24 hours a day, 365 days a year.

PROGRAMMING, BUDGET, AND STAFFING

In October 1982, the Federal Communications Commission (FCC) listed and defined the following seven program categories, including program formats and emphasis:

1. *Instructional:* designed to be a part of the credit-related educational offerings of the institution. K-12 in-school courses, in-service training for teachers, and college credit courses are examples of instructional programs.
2. *General Educational:* educational programs for which no formal credit is given.
3. *Performing Arts:* offerings in which the performing aspect predominates, such as drama or concert, opera, or dance.
4. *News:* includes reports dealing with current local, national, and international events. This includes weather and stock market reports and commentary, analysis, or sports news when it is an integral part of a news program.
5. *Public Affairs:* includes those programs dealing with local, state, regional, national, or international issues or problems; including but not limited to talks, commentaries, discussions, speeches, political programs, documentaries, panels, roundtables, vignettes, and extended coverage (live or recorded) of public events or proceedings such as local council meetings, Congressional hearings, and the like.
6. *Light Entertainment:* includes programs consisting of popular music or other light entertainment.
7. *Other:* includes all programs not falling within the definitions above. Most sports programs should be reported as "Other."

Percentage of Program Hours Per Week, 2001-02

Station & Location	Instruc -tional	General Education	Public Affairs	Perform-ance Arts	Light Enter-tainment	News	Other
WHA-TV, Extension	15%	25%	18%	11%	8%	19%	4%
WUEC, Eau Claire	0	0	15	60	5	18	0
WHA-AM, Extension	0	8.2	52.4	4.1	13.4	18.1	3.8
WHID, Green Bay	0	8.2	52.4	4.1	13.4	18.1	3.8
WLSU, La Crosse	0	0	3.9	23.2	49.4	23.5	0
WSUM, Madison	0	0	6	0	88	6	0
WUWM, Milwaukee	0	0	0	0	18	82	0
WRST, Oshkosh	0	0	34	6	56	4	0
WSUP, Platteville	0	1.6	5.2	5.2	70.8	7.4	9.8
WRFW, River Falls	.5	3	24	1	57	14.5	0
WWSP, Stevens Point	0	4	11	2	69	3	11
WVSS, Menomonie	0	1	15	60	5	18	0
KUWS, Superior	0	0	64.8	0	20.8	12.5	1.9
WSUW, Whitewater	0	0	3.5	0	95	1.5	0

Annual Operating Budgets, 2001-02

Station & Location	GPR/Fees		Seg Fees	Gifts, Grants & Contracts	Total
	Salaries	Other			
WHA-TV, Extension	$2,716,429	$643,020	–	$8,776,718	$12,136,167
WUEC, Eau Claire	9,578	29,372	35,000	15,000	88,950
WHA-AM, Extension	1,046,208	16,119	–	4,962,544	6,024,871
WHID, Green Bay	-	–	–	101,427	101,427
WLSU, La Crosse*	59,844	24,586	–		84,430
WSUM, Madison	--	–	589,309	16,000	614,309
WUWM, Milwaukee	211,819	17,785	–	1,580,684	1,810,238
WRST, Oshkosh	63,757	–	27,237	2,500	93,494
WSUP, Platteville**	8,736	–	26,905	160	35,801
WRFW, River Falls	7,000	8,120	17,115	1,500	34,135
WWSP, Stevens Point	25,427	15,524	-	28,000	43,524
WVSS, Menomonie***	–	–	–	–	–
KUWS, Superior	64,748	5,290	–	16,316	86,354
WSUW, Whitewater	24,000	–	18,700	1,500	44,700

* *WLSU* salary figure for the two employees paid through UW-La Crosse. Salaries for the remaining three positions are in the WHA-AM budget. The gifts, grants, and contracts listed reflect only Corporation for Public Broadcasting funding. Underwriting and other program revenue is included in the WHA budget.

** *WSUP* salaries do not include chief operator position, a 30 percent appointment not included in the station budget.

*** *WVSS* budget items included in WHA-AM budget.

GPR/Fees include (a) "Salaries" for academic staff, classified personnel, and faculty members; and (b) "Other," which includes expenditures from institutional budget for student and LTE wages; supplies and expense; capital; etc.

Segregated Fees indicate allocations from student fee income; may also be expended for student wages, S & E, capital, etc.

Gifts, Grants & Contracts include private donations from individuals and citizen support groups; underwriting contributions; program revenue from production contracts; and Community Service Grants from the Corporation for Public Broadcasting.

Staffing Levels

	Full-Time Employees	Paid Part-Time Employees	Unpaid Student Staff	Percentage of Faculty Person's Time
WHA-TV, Extension	118	55	1	0%
WUEC, Eau Claire	-	4	6	25
WHA-AM, Extension	52	24	0	0
WHID, Green Bay*	-	-	-	-
WLSU, La Crosse*	-	-	-	-
WSUM, Madison				
WUWM, Milwaukee	20	5	3	0
WSUM, Madison	1	10	204	-
WRST, Oshkosh	0	4	38	0
WSUP, Platteville	0	2	99	25
WRFW, River Falls	0	9	55	25
WWSP, Stevens Point	0	7	32	25
WVSS, Menomonie*	-	-	-	-
KUWS, Superior*	-	-	-	-
WSUW, Whitewater	1	1	60	50

*The full-time staff count for WHID, WLSU, WVSS and KUWS, which are managed by UW-Extension, is included in WHA-AM's total.

UW System Trust Funds
Acceptance of the Robert Kuehneisen Bequest

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Milwaukee, the bequest of the late Robert Kuehneisen be accepted, and that the Trust Officer or Assistant Trust Officers be authorized to sign receipts and do all things necessary to effect the transfer for the benefit of the University of Wisconsin-Milwaukee.

Let it be herewith further resolved, that the President and Board of Regents of the University of Wisconsin System, and the Chancellor and Dean of the School of Education at the University of Wisconsin-Milwaukee express their deepest thanks and appreciation to the late Robert Kuehneisen for this exceptionally generous gift, which will be used as a memorial fund to sustain and further the quality of the School of Education.

(It is anticipated that the School of Education will receive a total of approximately $1,250,000 from the Kuehneisen estate. It should be noted that the Swimming Program at UW-Milwaukee is potentially the beneficiary of Mr. Kuehneisen's IRA, with a value of some $215,000.)

UW SYSTEM TRUST FUNDS
ACCEPTANCE OF THE ROBERT KUEHNEISEN BEQUEST

EXECUTIVE SUMMARY

BACKGROUND

Regent policy provides that individual bequests of $50,000 or more will be brought to the Business and Finance Committee so that they can, via resolution, be formally accepted and recognized by the President, Board of Regents, and appropriate Chancellor if to a specific campus. The resolution of acceptance, recognition, and appreciation will then be conveyed, where possible, to the donor, the donor's family, and other interested parties.

REQUESTED ACTION

Resolution accepting the Robert Kuehneisen bequest.

DISCUSSION

The Last Will and Testament of Robert Kuehneisen states the following:

> "ARTICLE XI
>
> All the rest, residue and remainder of my estate after all distributions, fees and costs of administration have been paid, shall be used as a memorial fund to be set up at the UNIVERSITY OF WISCONSIN-MILWAUKEE in the School of Education in MEMORY OF JOSEPH and LORETTA EISERLO and son ROBERT KUEHNEISEN."

As a young man, Mr. Kuehneisen enlisted in the 82nd Airborne as a paratrooper, was a veteran of both WWII and the Korean War, and was honorably discharged in 1952. He then attended the University of Wisconsin-Milwaukee, presumably on the G.I. Bill, and received his Bachelor's in Education there. Mr. Kuehneisen was also on both the track and swimming teams, where he set many records and won many honors. After graduation, he moved to Miami, Florida where he was a dedicated teacher with the Dade County Schools for 30 years. During that time and among other accomplishments, Mr. Kuehneisen served as head of a Social Studies Department and coached swimming and golf. Finally, from one of his best friends, personal representative, and attorney for the estate: "In the 45 years that I knew Bob, I never heard a vulgar word from his mouth, nor did he ever say anything bad about another person. He was a credit to your school."

RELATED REGENT POLICIES

Resolution 8559, June 7, 2002 - Process for Presenting and Reporting Bequests.

Blue Cross/Blue Shield
Acceptance of Funds
Agreement Modification-Technical
Adjustments

BUSINESS AND FINANCE COMMITTEE

Resolution:

That upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison, the Board of Regents:

- Approves the "Agreement to Accept Gifts between the Wisconsin United for Health Foundation, Inc., the University of Wisconsin Foundation and the University of Wisconsin System Board of Regents" with technical adjustments made from the last agreement, which technical adjustments reorder information in the last agreement, incorporate other minor language changes which do not change the meaning, and establish the UW Medical School, not the UW Foundation, as the entity which will expend the funds in accordance with the Insurance Commissioner's Order of March 28, 2000 and under Board of Regents oversight.

- Authorizes John Torphy, Vice Chancellor of Administration, University of Wisconsin-Madison to sign the Agreement on behalf of the Board.

10/24/2002

AGREEMENT TO ACCEPT GIFTS ~~FROM~~ BETWEEN THE WISCONSIN UNITED FOR HEALTH FOUNDATION, INC., ~~BY~~ THE UNIVERSITY OF WISCONSIN FOUNDATION AND THE UNIVERSITY OF WISCONSIN SYSTEM BOARD OF REGENTS ~~(Regents)~~

~~The UNIVERSITY OF WISCONSIN FOUNDATION (UWF), a private nonprofit Wisconsin foundation organized to raise, hold and invest funds for the benefit of the University of Wisconsin-Madison and its units, one of which is University of Wisconsin Medical School, hereby agrees with Wisconsin United for Health Foundation, Inc. (WUHI) to accept and administer the funds from WUHI, upon the terms and conditions stated below.~~

WHEREAS, Blue Cross and Blue Shield United of Wisconsin, in 2001 as a Wisconsin insurance corporation, ~~has~~ received approval from the Commissioner of Insurance for the State of Wisconsin (Commissioner) by Order and Decision of March 28, 2000 to convert to a for-profit Wisconsin corporation, and by that decision Commissioner ordered Wisconsin United for Health Foundation, Inc. (WUHI) ~~has been ordered~~ to distribute, as sales are made, the proceeds of the sales of stock of Cobalt Corporation, (the new for-profit corporation~~, (to be~~ formed by a merger of Blue Cross and United Wisconsin Services), one-half to the Medical College of Wisconsin and one-half to the University of Wisconsin Medical School;

WHEREAS, ~~the~~ Commissioner has ruled that the two Wisconsin medical schools must each establish an oversight and advisory committee to advise the school's governing body and make decisions regarding the funds in certain situations;

WHEREAS, ~~the~~ Commissioner made other rulings in the Order of March 28, 2000, concerning requirements and procedures for the planning, expenditure of the funds, reporting and auditing; ~~and~~

WHEREAS, ~~the~~ University of Wisconsin Foundation (UWF), is a private nonprofit Wisconsin foundation organized and existing to raise, receive, hold and invest funds for the benefit of the University of Wisconsin-Madison and its units, including the University of Wisconsin Medical School (Medical School); and UWF will receive the funds from WUHI and invest and account for the funds and disburse them to the Medical School upon Medical School's request;

WHEREAS, the Board of Regents of the University of Wisconsin System (Regents) is an agency of the State of Wisconsin, has as one of its units, the University of Wisconsin-Madison and a subunit, the UW Medical School; and Regents are the governing body to appoint the oversight committee and perform other obligations under Commissioner's Order referred to above;

WHEREAS, Commissioner ruled in paragraph 2 of her Order of March 28, 2000 entitled

"Accountability for Distribution of Funds" that governing instruments be prepared and executed to implement the accountability provisions of paragraph 2 of the Order; and

WHEREAS, the terms below have been agreed to by the President of UWF, the ~~President~~ Chair of the Board of WUHI and by the ~~University of Wisconsin System Board of Regents (Regents)~~ Regents:

NOW THEREFORE, the parties agree as follows:

A. Obligations of WUHI.

1. WUHI will provide the proceeds of the sales of stock to UWF in accordance with ~~the~~ Commissioner's Order and any subsequent rulings.

B. Obligations of UWF

1. UWF will receive, invest and ~~administer~~ account for all funds received from WUHI in accordance with its charter and bylaws as a Wisconsin charitable foundation and ~~for purposes~~ consistent with the terms of ~~the~~ Commissioner's Order of March 28, 2000.

2. UWF will establish and administer two separate accounts on behalf of the ~~UW~~ Medical School for the funds received - one called "Public Health Purposes" with thirty-five percent (35%) of the proceeds from WUHI~~the Independent Foundation~~, and a second called "Medical Education and Research" with sixty-five percent (65%) of the proceeds; and will implement changes in allocations, if any, between accounts provided they are requested by the Medical School and they comply with the Commissioner's Order of March 28, 2000~~.~~

3. UWF will disburse funds from either of the accounts mentioned above ~~the terms of Commissioner's Order of March 28, 2000.~~ to the Medical School upon Medical School's representation that the funds will be expended by the Medical School in accordance with Commissioner's Order of March 28, 2000.

~~4. UWF will receive written documentation from the UW Medical School regarding the appropriateness of expenditures from each of these accounts under the terms of the Commissioner's Order of March 28, 2000, whenever an expenditure is requested.~~

4. UWF will, in addition, invest the funds received with other funds it manages under common management for University of Wisconsin-Madison but provide separate financial accounting and reporting for the funds to the Medical School; ~~implement paragraphs 2.(7)(e), 2.(15),~~ and ~~and~~ do separate financial accounting and reporting for the funds to the Medical School under paragraph 2.(18) of ~~the~~C-omissioner's~~Commissioner's~~ Order.

C. Obligations of the Regents.

1. The Regents will create, appoint, and charge the oversight and advisory committee on the planning and use of the funds granted, according to the terms and conditions set forth in ~~the~~ Commissioner's Order of March 28, 2000.

2. The Regents will request the depositing of funds from the WUHI to the UWF with thirty-five percent (35%) of the proceeds in one account at the UWF for public health purposes and sixty-five percent (65%) of the proceeds in a second account at the UWF for medical research and health provider education; should the allocation percentage between purposes change pursuant to processes set forth in the Order, the Regents will request UWF to make different allocations.

3. The Regents will assure that UW-Madison and the Medical School expend and disburse the funds pursuant to the terms of Commissioner's Order of March 28, 2000; including obtaining of program and financial audits under paragraph 2(15) and separate financial accounting and financial reporting for the funds under paragraph 2(18) of that Order,

4. The Regents will approve bylaws for the oversight and advisory committee, which implement terms of ~~the~~ Commissioner's Order of March 28, 2000 applicable to such oversight and advisory committee.

~~4.~~5. The Regents will approve an official name for the oversight and advisory committee.

6. The Regents will assure that the bylaws of the oversight and advisory committee are consistent with state and University rules, policies, and procedures.

This Agreement shall be deemed effective on the _____day of _____, 2002~~1~~.

By:_____ Date: _____
For WUHI (name and title)

By:_____ Date: _____
For UWF (name and title)

By:_____ Date:_____
For the Regents (name and title)

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

BUSINESS AND FINANCE COMMITTEE

NOTICE OF PUBLIC FORUM ON TRUST FUND INVESTMENTS

Room 4151, Grainger Hall
975 University Avenue
Madison, Wisconsin

Thursday, November 7, 2002
3:30 – 5:00 p.m.

(Forum will begin upon conclusion of Business and Finance Committee meeting)

Forum Agenda

3:30 p.m. – 3:45 p.m. - Opening Remarks by the Regent Committee Chair

3:45 p.m. – 4:00 p.m. - Summary of 2002 Proxy Season Results

4:00 p.m. – 5:00 p.m. - Public Testimony

All interested persons are welcome to attend and participate in this annual public forum on trust fund investments.

Those who wish to speak at the forum are asked to register in advance by contacting Judith Temby at (608) 262-2324. Registration forms also will be available at the forum. All those attending the forum are asked to register at the door if they have not registered in advance.

Speakers are asked to limit oral remarks to two minutes so that as many people as possible can be heard. Written testimony is invited and encouraged, including written testimony from those who register to speak. This will ensure all interested persons an opportunity to express their views, even if it is not possible to fit all those who wish to speak in the time available at the forum.

I.3. Physical Planning and Funding Committee

Thursday, November 7, 2002
1820 Van Hise Hall

11:00 a.m. All Regents – Room 1820

- Wisconsin Technical College System Presentation

- 2003-05 Budget
  - New Initiatives
  - 95% Exercise

12:30 p.m. Physical Planning and Funding Committee – Room 1511

a. Approval of minutes of the October 10, 2002 meeting

b. Report of the Assistant Vice President
   - Building Commission Actions
   - Discussion of UW-Milwaukee Kenilworth RFP
   - Other

c. UW-Madison: Facility Planning Update
   - Real Estate Development Corporation
   - Medical Facilities: Healthstar and University Hospitals

d. UW Colleges: UW-Waukesha - Amend Land and Facilities Lease Agreement
   [Resolution I.3.d.]

e. UW-Eau Claire: Towers Hall Fire Sprinkler Retrofit Project (Design Report)
   $1,971,000 Program Revenue Supported Borrowing
   [Resolution I.3.e.]

f. UW-Madison: Crew House Addition and Remodeling (Design Report)
   $8,350,000 ($2,250,000 Gifts and $6,100,000 Program Revenue Supported Borrowing)
   [Resolution I.3.f.]

g. UW-River Falls: New Residence Hall Budget Increase
   $1,179,100 Program Revenue Housing - Cash
   [Resolution I.3.g.]

h. UW-Platteville: Living and Learning Center Budget Increase
   $158,500 Program Revenue Supported Borrowing
   [Resolution I.3.h.]

i. Amendments to *Regent Policy 96-4: Deputizing Police Officers* [Resolution I.3.i.]

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

z. Closed session for purposes of considering personal histories, as permitted by s.19.85(1)(f), Wis. Stats., related to naming of a facility at UW-Madison

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Authority to Amend the Land and Facilities Lease Agreement for Site of UW-Waukesha, UW Colleges

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW Colleges Chancellor and the President of the University of Wisconsin System, authority be granted for the officers of the Board of Regents to amend the land and facilities lease agreement between the Regents and Waukesha County for the site of UW-Waukesha. The amendment will permit Waukesha County to enter into a lease/easement agreement with TeleCorp Realty, LLC, for the specific purpose of erecting and operating a cellular tower on campus land.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
November 2002

1. Institution: The University of Wisconsin Colleges

2. Request: Requests authority for the officers of the Board of Regents to amend the land and facilities lease agreement between the Regents and Waukesha County for the site of UW-Waukesha. The amendment will permit Waukesha County to enter into a lease/easement agreement with TeleCorp Realty, LLC, for the specific purpose of erecting and operating a cellular tower on campus land.

3. Description and Scope of the Project: Approval of this request will permit Waukesha County to contract with TeleCorp Realty, LLC, to erect and maintain a cellular signal tower and equipment building on campus grounds for a period of five years with three, five-year renewal options. Construction will include a 56-foot high "flag pole" tower and a small equipment building attached to the existing Field House as well as a possible future second equipment building adjacent to the first. Narrow utilities easements will be provided between these structures and the tower, with a 12 foot wide access and utilities easement onto the campus property. The tower looks and functions like a flagpole, and is base-lighted for illumination of the flags at night. The location of the flagpole will be at the center of an existing pedestrian courtyard between buildings and will be aesthetically compatible with the surroundings. The lease between Telecorp and the county is structured to insure that the facilities and their operations will not compromise the university learning environment with specified remedies in the event of interference with university operations, including any and all damages related to, or associated with exposure to electromagnetic fields ("EMF's"). Clauses in the lease properly indemnify the university and Regents.

4. Justification of the Request: Waukesha County initiated this request consistent with the long history of collaboration and cooperation between the UW Colleges and the counties and cities that own our facilities. While the presence of a "flagpole" cellular tower on campus does not, by itself, directly advance or detract from the mission of the university, Waukesha County is requesting this permission so that it may benefit from the arrangement with TeleCorp Realty. The tower itself appears and functions like a large flagpole, and will be placed in an existing courtyard between two buildings. The proposed arrangement between Waukesha County and TeleCorp Realty sufficiently safeguards the campus from any negative situations that could arise during the term of the agreement, including flexibility to further develop the site for future university use. The proposed arrangement between Waukesha County and TeleCorp Realty has the full support of the UW-Waukesha Campus Dean and the UW Colleges Chancellor.

5. Budget: None. UW-Waukesha will receive 5 per cent of Waukesha County's revenue from TeleCorp, which will be approximately $1,000 in the first year. Ongoing utilities costs for power and telecommunication will be metered separately and paid directly by TeleCorp.

6. Previous Action: None.

Approval of the Design Report and Authority to Construct a Towers Residence Hall Fire Sprinkler System Project, UW-Eau Claire.

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct a Towers Residence Hall Fire Sprinkler System project at an estimated total project cost of $1,971,000 Program Revenue Supported Borrowing.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request For
Board of Regents Action
November 2002

1. Institution: The University of Wisconsin-Eau Claire

2. Request: Requests approval of the Design Report and authority to construct a Towers Residence Hall Fire Sprinkler System project at an estimated total project cost of $1,971,000 Program Revenue Supported Borrowing.

3. Description and Scope of Work: This project will provide fire protection for the 648 resident rooms and related areas in the existing north tower, south tower and commons area of Towers Hall. Work will include the installation of a sprinkler system and installation of an electric motor driven fire pump. An upgraded electrical service will be provided and a new 200KW emergency generator will replace the existing 40KW generator to provide the additional capacity to serve the new fire pump and to serve one of two elevators in each tower to meet current National Electrical and NFPA 101 Life-Safety codes. The sprinkler system will be installed to meet the requirements of the National Fire Protection Association's Standard for the Installation of Sprinkler Systems (NFPA-13). Sprinkler piping will be installed above acoustic tile ceiling in the commons area and concealed behind metal soffit panels in other areas. Sprinkler flow sensing and an elevator recall function will be added to the existing fire alarm control panel.

4. Justification of the Request: Towers Hall was constructed in 1967. It consists of two, ten story high-rise resident towers built around a central single story commons area. At the time of construction, state codes did not require fire sprinkling and the emergency generator only needed to serve the fire alarm panel and the egress/exit lighting.

   1999 Wisconsin Act 43 requires that residence halls with a height in excess of 60 feet shall have fire sprinkler systems installed by 2006. The installation of this fire protection system will bring the complex into compliance with the law and will provide needed fire protection for the 1,350 residents who live in the two towers.

   This project will be phased over a two-year period due to the disruption involved with the installation of piping. The south tower sprinkler work will be completed during the summer months of 2003. The infrastructure common to both towers and the sprinkler work in the commons area will commence in the summer of 2003, and be completed by January of 2004. The north tower sprinkler work will be completed during the summer months of 2004, with an August 2004, completion date for the entire project.

   Current room rates for residents average $2,270 per year. A repayment schedule for this project will require a $40 per year per student fee increase.

5. Budget:

Construction:	$1,546,600
A/E Design Fee:	120,700
DFD Management:	71,200
Contingency:	232,500
Estimated Total Project Cost:	$1,971,000

5. Previous Action: None.

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Approval of the Design Report and
Authority to Construct a Crew House
Expansion Project, UW-Madison

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

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 a Crew House Expansion project at an estimated total project cost of $8,350,000 ($2,250,000 Gifts and $6,100,000 Program Revenue Supported Borrowing).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
November 2002

1. Institution: University of Wisconsin-Madison

2. Request: Requests approval of the Design Report and authority to construct the Crew House Expansion project at an estimated total project cost of $8,350,000 ($2,250,000 Gifts and $6,100,000 Program Revenue Supported Borrowing).

3. Project Description and Scope: This project will provide for demolition of the existing one-story (15,000 GSF) concrete Crew House structure and construction of a new, multi-level facility on the same site adjacent to Lake Mendota.

   The new building will provide a total of approximately 39,200 ASF/52,000 GSF of space on three levels, with mechanical mezzanine areas above. The first floor will be at lake level and will accommodate storage for over 100 shells, a boat repair bay, and building support spaces. The second floor will include a public entrance, offices for coaches and staff, multi-purpose team rooms, a "moving-water" rowing tank, community meeting room, and catering kitchen. The third floor will provide exercise space for student athletes with three separate team workout rooms, sports medicine space, and exterior terraces.

   Site work for the Crew House will include a new apron along the lake; bike path improvements adjacent to the Crew House; and new walks and access drives on the west, south and east sides of the building. Project design will provide for a future bicycle bridge between the Crew House and Lake Mendota. The bridge will provide a grade separation between boat access and cyclists, improving safety in a congested area. Efforts are underway to secure funding for the bridge. In addition, Parking Lot #35, which is located between the northern terminus of Babcock Drive and the Crew House, will be used as a construction staging area and will be restored.

   The existing electrical vaults, located at the southwest corner of the new building, will remain in the current location, with no major electrical or other work included as part of this project.

4. Justification of the Request: The Crew House was constructed in 1967, with 9,100 ASF/12,500 GSF of locker and shell storage space. It was designed to serve 60-70 athletes involved in the men's intercollegiate rowing program. Increased participation in the men's program and creation of two women's programs in 1972 and 1995, more than quadrupled the programmatic demands placed on the Crew House. Currently, there are approximately 150-175 athletes participating in each of the men's, women's, and women's lightweight programs during the spring and up to a total of 400 athletes in the fall.

The increased number of programs and participants has created an acute shortage of shell and equipment storage, locker rooms, toilets, training and practice facilities, especially off-season conditioning facilities. The facility is also limited by lack of office space. The coaching staffs' offices are located ¾ mile away in Camp Randall Stadium. In 1985, the first of an envisioned three-phase project was constructed to expand shell storage. Phase two was proposed to increase indoor training facilities including a 16-oar rowing tank, and a third phase was planned to provide locker and shower space for women's crews. The latter phases and two enumerated proposals were not implemented, including a 1993-95 project to construct separate facilities for the men's program and a 1997-99 project for renovation of the women's facilities. It became clear that long-range programmatic, siting, design and fundraising issues needed to be addressed.

During fall 2000, an architectural consultant was retained. Since the enumeration of the earlier projects, the direction had become one of shared training and support spaces to realize economies of scale and avoid duplicative staff and equipment costs. Accordingly, an earlier proposal for separate facilities for men and women was no longer appropriate. Issues of flooding at the old building needed to be addressed. A constrained site among mature oak trees and dormitory buildings with Lake Mendota on the north, and Babcock Drive to the south further complicated renovation of the existing Crew House. It became clear that it would not be feasible or economical to achieve program goals in the existing building, and the current proposal to demolish the existing building and build a new facility on the site emerged.

The design for the Crew House will provide the men's and women's rowing programs with a unique state-of–the-art facility for their specialized storage and team training needs on a challenging but beautiful site along the south shore of Lake Mendota. The design of the proposed facility is strong in form but complements the traditional setting of the adjacent lakeshore dorms by using natural stone for the exterior walls and a lead-coated copper roof. The footprint of the building will be expanded to the south toward Babcock Court while protecting and maintaining the mature trees to the east and west. The simple form allows for flexible and efficient use of the space with access to daylight and ventilation.

The Lakeshore path to the north will be maintained and the bypass around the site will be improved. During practice, gates are lowered on either side of the lake apron to divert bicycle and pedestrian traffic around the south side of the facility. The new Crew House design incorporates plans for a future Lakeshore path bridge. If funding can be secured from the Department of Transportation or other sources, the bridge will be constructed. A detour around the site will be developed to accommodate path users during the 12-14 month construction schedule.

The current schedule calls for construction to begin in spring 2003, with completion targeted for summer 2004. During that timeframe, the crew program will be relocated off site in a tent at Willow Beach, and a new storage building at the Goodman Diamond will be used to house equipment.

The Division of Intercollegiate Athletics has $2,250,000 of Gift Funds in hand for this project. The remaining $6,100,000 will be funded from the $7,500,000 of existing Program Revenue Supported Borrowing authority that was enumerated in 1999-2001 for a proposed Intercollegiate Athletics Pool project. That project has been placed on hold due to fundraising constraints. Accordingly, approval will be sought from the State Building Commission later this month to transfer the necessary amount of bonding authority from the pool project to the Crew House project. UW-Madison has indicated that an amount of $500,000 has been budgeted within the Athletic Department's annual operating budget for debt service payments on the Crew House project and that this project will have no impact on fees.

5. Budget:

Construction (including site work)	$6,485,000
A/E and Other Design Fees	541,000
DFD Management	283,000
Survey, Geotechnical, EIA	21,000
Safety & Buildings Submittal, etc.	9,000
Testing & Balancing	20,000
Contingency	449,000
Movable Equipment	400,000
Asbestos Abatement	30,000
Energy/Direct Digital Controls	95,000
Percent for Arts	17,000
Total Project Cost	$8,350,000

6. Previous Action:

Recommended enumeration of a Crew House Addition-Phase II project at $431,000 of Gift Funds as part of the 1985-87 Capital Budget.

December 11, 1992 Resolution #6295	As part of the 1993-95 Capital Budget, approved a Crew House Expansion project at a cost of $2,145,000 Gift/Grant Funds.
August 23, 1996 Resolution #7260	As part of the 1997-99 Capital Budget, approved a Crew House/Humphrey Hall Renovation and Addition project at a cost of $1,100,000 Gift funds

Authority to Increase the Budget of the
New Residence Hall Project,
UW-River Falls

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-River Falls Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the New Residence Hall project by $1,179,100 Program Revenue Housing - Cash, for a revised total budget of $11,033,000 ($9,180,000 Program Revenue Supported Borrowing and $1,853,000 Program Revenue Housing – Cash).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
November 2002

1. Institution: The University of Wisconsin-River Falls

2. Request: Requests approval to increase the budget of the New Residence Hall project by $1,179,100 Program Revenue Housing - Cash, for a revised total budget of $11,033,000 ($9,180,000 Program Revenue Supported Borrowing and $1,853,000 Program Revenue Housing – Cash).

3. Description and Scope of Project: The requested budget increase will provide sufficient funding to construct a new, four-story, 73,000 ASF/87,500 GSF residence hall for 240 full-time students in suite style living units. The residence hall will be located south of the east residence hall complex.

   The project site work includes utility extensions, grading work, vehicular and pedestrian access, storm water management, and other items necessary to support the new residence hall. Additional resident parking was provided through a previous parking lot expansion project.

   The standard living unit will provide an apartment for four people, each with four private bedrooms, a kitchenette, bath facilities, and living area. Building amenities include an attractive lobby/service area, computer and study rooms, laundries, storage rooms, social spaces, and other miscellaneous spaces. The building exterior will consist of large bands of contrasting red brick and buff-colored concrete masonry.

   The start of construction for this project is targeted for January 2003, with completion anticipated in Summer 2004.

4. Justification of the Project: The Board of Regents and the State Building Commission recommended construction funding of a new Residence Facility at UW-River Falls that is enumerated at $8,965,000 as part of the 1999-2001 Capital Budget. In December 2001, the Board of Regents and State Building Commission authorized increasing the project budget by $888,900 in order to cover increased costs for additional foundation work necessitated by the discovery of poor soils at the site.

   The project was bid on September 12, 2002. Bids came in $1,779,800 over budget. Possible cost reductions were identified by a team of representatives from UW-River Falls, UW-System Administration, DFD, and the consultant architect. Cost reduction items include eliminating and

deferring some work, reducing the scope of some work (primarily electrical and heating and ventilation), and substituting less expensive alternative materials and installation methods. The apparent low bidders are now reviewing these cost reduction items and are assembling revised bids with an expectation of reducing the total project cost by $750,000.

Four years ago, as part of a comprehensive housing plan effort, annual residence hall fees were increased by $150. That increase reflected projected costs of the University's on-going maintenance program for existing residence halls, the construction of the proposed new residence hall, and operating costs for utilities, professional staff, custodial and maintenance related to the new residence hall. Current annual residence hall rates are $2,148 for double occupancy and $2,798 for single occupancy. Using an interest rate of 5 per cent on a 20-year bond, the annual debt service payment on the requested bond level of $9,180,000 will be approximately $727,000. The projected budget increase of $1,179,100 to $11,033,000 will be taken from cash reserves, along with an additional increase of 3 per cent in the projected 2004-2005 room rates, resulting in room rates of: $2,424 for double occupancy, $3,074 for single occupancy, and $3,500 for the new suite style residence hall.

5. Budget:

	Authorized Budget	Revised Budget
Construction	$8,399,700	$9,429,500
A/E Design & Other Fees	655,500	803,600
DFD Management	353,800	398,000
Contingency	420,000	374,400
Percent for Art	24,900	27,500
Total Project Budget:	$9,853,900	$11,033,000

6. Previous Action:

August 20, 1998 Resolution 7740	Recommended enumeration of a New Residence Hall at UW-River Falls as part of the 1999-2001 Capital Budget, at an estimated cost of $8,965,000, using Program Revenue Supported Borrowing. The project was subsequently enumerated at $8,965,000 Program Revenue Supported Borrowing.
December 7, 2001 Resolution 8488	Approved the design report and authorized construction of a New Residence Hall at UW-River Falls at a revised estimated cost of $9,853,900, using $8,965,000 Program Revenue Supported Borrowing and $888,900 Program Revenue Cash.

Authority to Increase the Budget of the Living and Learning Center Project, UW-Platteville

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of Wisconsin System, authority be granted to increase the project budget for the Living and Learning Center project by $158,500 for a revised total budget of $1,110,500 Program Revenue Supported Borrowing.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
November 2002

1. Institution: The University of Wisconsin-Platteville

2. Request: Requests authority to increase the project budget for the Living and Learning Center project by $158,500 for a revised total budget of $1,110,500 Program Revenue Supported Borrowing.

3. Description and Scope of Project: This project will construct a 7,800 GSF Agriculture Living and Learning Center at the UW-Platteville Pioneer Prairie Farm on a site between the East Farm and the Beef Farm. This single-story, wood-framed structure will be constructed with a pitched hip roof and brick and vertical siding. The facility will contain twelve guest rooms to provide short-term lodging for 24 visitors. Shared bathrooms will be located between every two bedrooms. Other spaces in this facility will include a kitchen and lounge/dining area, a study/meeting room, and an informal outdoor dining/activity area.

   Exterior development will include construction of a new well and septic system, extension of electricity from the main utility, and development of a small parking area to supplement existing roadway parking.

4. Justification of the Project: The Agriculture Living and Learning Center project was authorized for construction by the Board of Regents in October 2001, at a total project budget of $952,000. Bids received on October 15, 2002, resulted in costs that exceed the authorized budget. The project Architect has reviewed the costs with the low bidder to determine if cost reductions could be made. All of the suggested cost reduction changes would result in a facility with less desirable features and construction, therefore, it was determined that an increase in funding was the most reasonable option.

   The Living and Learning Center will provide lodging where farmers and other agriculture professionals can stay while studying ideas and methods being demonstrated at the Stewardship Farm. Agricultural scientists who come to the Stewardship Farm to participate in the on-going applied research or environmental monitoring will reside in the Living and Learning Center for the duration of their activities. A similar farm in the Netherlands that is being used as a model for UW-Platteville's Stewardship Farm has 10,000 visitors per year.

   A secondary, but very important, use of the Living and Learning Center will be to provide a place for various UW-Platteville student, faculty, and staff groups to conduct retreats, seminars, workshops, and other overnight activities. The Living and Learning Center will be sited a few miles from the campus in a park-like area that was the former homestead site at the Pioneer Prairie Farm. This setting will complement the intended use of the Living and Learning Center and related activities. It will also help to further integrate the Farm and the campus.

The Agriculture Living and Learning Center, along with another new facility, the Agriculture Technology Center, are crucial to the teaching and dissemination purpose of the Stewardship Farm. Overall, the construction and operating costs of the Living and Learning Center will be borne by user fees. Based upon projected revenues and expenses, the University is confident that the Living and Learning Center will be self-supporting.

It is anticipated that construction of the Agriculture Living and Learning Center will start in fall 2002, and be completed in early spring 2003. A similar schedule is planned for the construction of the Agriculture Technology Center.

5. Budget:

Construction	$882,000
A/E Design & Other Fees	70,100
EIS Consultant	6,000
DFD Management	37,600
Contingency	40,000
Movable Equipment	63,000
Telecommunications	9,000
Percent for Art	2,800
Estimated Total Project Cost	$1,110,500

6. Previous Action:

August 25, 2000 Resolution #8175	Endorsed a four-year Agriculture Initiative, including the Agriculture Living and Learning Center, at an estimated total project cost of $830,000 Program Revenue Supported Borrowing, as part of the 2001-03 Capital Budget. The project was subsequently enumerated at $834,600 Program Revenue Supported Borrowing.
October 5, 2001: Resolution #8455	Approved (1) the Design Report for the Living and Learning Center project, (2) an increase to the budget by $117,400 using Residual Program Revenue Supported Borrowing, and (3) authority to construct the project at a revised estimated total project cost of $952,000 ($834,600 Program Revenue Supported Borrowing and $117,400 Residual Program Revenue Supported Borrowing).

Amendments to *Regent Policy 96-4: Deputizing Police Officers*, UW System

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents amends *Regent Policy 96-4: Deputizing Police Officers* as follows:

1) authority for deputizing university police officers be delegated to the Chancellors or the Chancellors' designees; and

~~2) names of newly deputized officers shall be reported to the Secretary of the Board of Regents~~.

THE UNIVERSITY OF WISCONSISN SYSTEM

Request for
Board of Regents Action
November 2002

1. Institution: The University of Wisconsin System

2. Request: Requests authority to amend *Regent Policy 96-4: Deputizing of Police Officers* to eliminate the requirement that names of newly deputized officers be reported to the Secretary of the Board of Regents.

3. Description: *Regent Policy 96-4*, which was last modified on June 7, 1996, by Resolution 7239, delegates authority for deputizing university police officers to the Chancellor or the Chancellors' designees and requires that names of those newly deputized police officers be reported to the Secretary of the Board of Regents. This policy replaced former policy under which police officers in the University of Wisconsin System were deputized by System Administration officers.

4. Justification: As efforts continue to review existing policies and procedures to identify ways in which work processes can be streamlined, one area of consideration is the elimination of unnecessary reporting requirements. The Secretary of the Board of Regents reports that since Resolution 7239 was passed in 1996, there have been no requests for that office to provide information or reports related to university police officers deputized by Chancellors or their designees.

   Chancellors assume the statutory responsibility to assure that their police officers meet appropriate training requirements, therefore, no verification is made by System Administration or the Board of Regents that the individuals deputized meet law enforcement standards board training requirements. Thus, the reports of newly deputized officers that are provided by campus staffs to the Secretary of the Board of Regents have proved unnecessary, offer no apparent value and, in the interest of streamlining office efficiencies for both the campus and Board of Regents office, should be eliminated.

5. Previous Action:

June 7, 1996 Resolution 7239	1) Delegated authority to deputize university police officers to the Chancellors or Chancellors' designees, 2) required that names of newly deputized officers be reported to the Secretary of the Board of Regents
December 17, 1971 Resolution 40	Authorized System President and Vice Presidents to deputize police officers on the recommendation of the Chancellor

R E V I S E D

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN

November 8, 2002
9:00 a.m.
1820 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin

II

1. Calling of the roll

2. Approval of the minutes of the October 10th and 11th meetings

3. Report of the President of the Board
   a. Overview: Wisconsin Economic Summit III
      [Resolution II.3.a.]
   b. Report on the October 18th meeting of the Higher Educational Aids Board
   c. Report on the November 6th meeting of the Hospital Authority Board
   d. Additional items that the President of the Board may report or present to the Board

4. Report of the President of the System

5. Report of the Physical Planning and Funding Committee

6. Report of the Business and Finance Committee

7. Report of the Education Committee

8. Additional resolutions

9. Communications, petitions, memorials

10. Unfinished or additional business

11. Recess into closed session to confer with legal counsel, as permitted by s.19.85(1)(g), *Wis. Stats.*, to consider personal histories related to naming of a facility at UW-Madison, as permitted by s.19.85(1)(f), *Wis. Stats.*, and to consider honorary degree nominations at UW-Milwaukee and UW-Oshkosh, as permitted by s.19.85(1)(f), *Wis. Stats.*

The closed session may be moved up for consideration during any recess called during the regular meeting agenda. The regular meeting will be reconvened in open session following completion of the closed session.

* Regent Burmaster may participate in this meeting by telephone conference.

Board of Regents of
The University of Wisconsin System

Meeting Schedule 2002-03

2002

January 10 and 11
(Cancelled, circumstances permitting)

February 7 and 8

March 7 and 8

April 4 and 5

May 9 and 10 (UW-Fox Valley and UW-Fond du Lac)

June 6 and 7 (UW-Milwaukee)
(Annual meeting)

July 11 and 12
(Cancelled, circumstances permitting)

August 22 and 23

September 12 and 13

October 10 and 11 (UW-Whitewater)

November 7 and 8

December 5 and 6

2003

January 9 and 10
(Cancelled, circumstances permitting)

February 6 and 7

March 6 and 7

April 10 and 11

May 8 and 9 (UW-Stevens Point)

June 5 and 6 (UW-Milwaukee)
(Annual meeting)

July 10 and 11

August 21 and 22
(Cancelled, circumstances permitting)

September 4 and 5

October 9 and 10 (UW-Oshkosh)

November 6 and 7

December 4 and 5

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

President - Guy A. Gottschalk
Vice President - Toby E. Marcovich

STANDING COMMITTEES

Executive Committee
Guy A. Gottschalk (Chair)
Toby E. Marcovich (Vice Chair)
Patrick G. Boyle
Gregory L. Gracz
James R. Klauser
Frederic E. Mohs
Jay L. Smith

Business and Finance Committee
James R. Klauser (Chair)
Jose A. Olivieri (Vice Chair)
Tommie L. Jones, Jr.
Phyllis M. Krutsch

Education Committee
Patrick G. Boyle (Chair)
Frederic E. Mohs (Vice Chair)
Roger E. Axtell
Jonathan B. Barry
JoAnne Brandes
Elizabeth Burmaster
Tommie L. Jones, Jr.

Physical Planning and Funding Committee
Gregory L. Gracz (Chair)
Lolita Schneiders (Vice Chair)
Alfred S. DeSimone
Gerard A. Randall, Jr.

Personnel Matters Review Committee
Gerard A. Randall, Jr. (Chair)
Roger E. Axtell
James R. Klauser
Jose A. Olivieri

Committee on Student Discipline and Other Student Appeals
Frederic E. Mohs (Chair)
Jonathan B. Barry
Elizabeth Burmaster
Tommie L. Jones, Jr.

OTHER COMMITTEES

Liaison to Association of Governing Boards
Phyllis M. Krutsch

Hospital Authority Board - Regent Members
Roger E. Axtell
Patrick G. Boyle
Frederic E. Mohs

Wisconsin Technical College System Board
Lolita Schneiders, Regent Member

Wisconsin Educational Communications Board
Patrick G. Boyle, Regent Member

Higher Educational Aids Board
Gerard A. Randall, Jr., Regent Member

Research Park Board
Frederic E. Mohs, Regent Member

Technology for Educational Achievement in Wisconsin Board (TEACH)
Roger E. Axtell, Regent Member

Committee on Board Effectiveness
Phyllis M. Krutsch (Chair)
Jonathan B. Barry
Patrick G. Boyle
Jose A. Olivieri

Academic Staff Awards Committee
Lolita Schneiders (Chair)
JoAnne Brandes
Phyllis M. Krutsch
Toby E. Marcovich

Teaching Excellence Awards Committee
Roger E. Axtell (Chair)
Elizabeth Burmaster
James R. Klauser
Jose A. Olivieri

Public and Community Health Oversight and Advisory Committee
Patrick G. Boyle, Regent Liaison

The Regents President and Vice President serve as ex-officio voting members of all Committees.
The President Emeritus serves as a voting member of the Business and Finance Committee, Education Committee, Physical Planning and Funding Committee, and Executive Committee.