

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

Held in Room 1820 Van Hise Hall

Friday, September 13, 2002

9:00 a.m.

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- President Gottschalk presiding -

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

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**APPROVAL OF THE MINUTES**

Regent Krutsch noted a correction to be made on page 16, paragraph 2, line 3, of the August 22<sup>nd</sup> meeting minutes, changing the word “cots” to “costs”. Upon motion by Regent Klauser and seconded, the minutes were approved as corrected.

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**REPORT OF THE PRESIDENT OF THE BOARD**

**Report on the September 11<sup>th</sup> Meeting of the Hospital Authority Board**

The Board received a written report of the September 11<sup>th</sup> meeting of the Hospital Authority Board.

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**Report on Governmental Matters**

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

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**REPORT OF THE PRESIDENT OF THE SYSTEM**

**Managing for Quality**

President Lyall spoke about three dimensions of quality that need specific focus this year, noting that they are directed to increasing student success in recognition of the fact that the UW's most important contribution to the life and economic future of Wisconsin is well-educated graduates. In that regard, she cited the presentation made to the Board the preceding day on the economic impact of the UW System, which showed that UW activities and graduates generate more than \$9 billion annually statewide and hundreds of millions in each region of the state.

The UW, she stated, can no longer expand its contributions to Wisconsin simply by increasing enrollments. Instead, the focus must be on generating more successful outcomes for the student body. She cited the following three quality measures.

- 1) Increasing retention/graduation rates for students;
- 2) Halting and reversing the erosion in support per student, which currently is \$1,000 per student less than peers across the country, adversely impacting educational quality; and
- 3) Restoration of some faculty positions, to reach a better balance between faculty and instructional academic staff.

With regard to the first measure, she noted that retention/graduation targets have been set for each campus and that any proposed revisions will be brought to the Board in December. The second measure compares UW GPR support to peers at four-year public universities nationally and is part of the UW's annual accountability report. She planned to consult with the chancellors regarding a feasible target for the third measure. In that regard, she pointed out that 500 faculty positions have been lost to budget cuts over the past five years and that instructional academic staff now teach nearly 40% of all credit hours. Stabilization of faculty ranks will provide a core of faculty for student contact, curriculum guidance, shared governance, and maintaining academic standards.

Engaging Wisconsin, the President stated, will make consequences of decisions more transparent, avoid surprises, and allow more precise focusing of efforts. As a first step, she indicated that she will bring to the Board in October a proposed approach and timetable for the fall 2003 admissions process, designed to reach the EM21 target by the end of the 2003-05 biennium by managing the next two entering classes, as necessary, to ensure that the 135,000 FTE target is not exceeded by fall 2005. Noting that different campuses serve different clientele, she pointed out that admissions policies at each

campus will be tailored to reach the target without working great hardship on parents and students. For this purpose, she proposed retaining the current EM21 overall targets through 2005, with recognition, however, that further significant base budget cuts would cause the Board to revisit the targets and overall enrollment levels.

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### **Research on West Nile Virus and Chronic Wasting Disease**

President Lyall reported that UW scientists have done key research on risk to humans from West Nile Virus and Chronic Wasting Disease, making an important contribution to combating these public health threats.

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### **UW-Platteville/UW-Fox Valley Mechanical Engineering Program**

It was noted by President Lyall that the new mechanical engineering program offered jointly by UW-Platteville and UW-Fox Valley, would admit its first class in the coming fall semester. This collaboration enables working students in Fox Valley businesses to obtain ME degrees and helps regional businesses recruit and retain technical talent. Pointing out that engineering programs are expensive to mount, she indicated that this joint offering extends faculty expertise from the southwest part of the state to the northeast and also promotes the UW's Economic Stimulus Program. She thanked Chancellor Markee, of UW-Platteville, and Dean Perry, of UW Fox Valley, for instituting this innovative program. Regional employers, she added, have committed to funding a new facility as their contribution to this needed program.

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### **Wisconsin Space Grant Consortium**

President Lyall reported that the Wisconsin Space Consortium, located at UW-Green Bay, had received a new \$475,000 grant to support research, student scholarships and outreach programs related to aerospace. The consortium consists of 24 members, including Alverno and Carroll Colleges, Marquette University, Milwaukee School of Engineering, Orbital Technologies, BioPharmaceutical Technology Corporation, the College of the Menominee Nation and UW universities at La Crosse, Madison, Milwaukee, Oshkosh, Parkside and Whitewater, along with the Department of Public Instruction, and with UW-Green Bay as the lead institution. This consortium, the President noted, is an example of the kind of education-government-business partnerships that bring energy and financial support to the UW and Wisconsin.

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### **Research on Weight Control**

It was noted by President Lyall that UW- Madison Professor James Ntambi and colleagues at Rockefeller University have developed a strain of mice that can consume large quantities of food without gaining weight and have begun exploring drugs that could produce the same effect in humans.

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### **75<sup>th</sup> Year of Chapter a Day**

President Lyall reported that Wisconsin Public Radio celebrated the 75<sup>th</sup> year of “Chapter a Day”.

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### **UW Hospital Ranks High for Transplant Survival Rates**

It was reported by President Lyall that UW Hospital is highly ranked nationally for high survival rates of liver and kidney transplant patients. In addition, Wisconsin waiting times for these organs are less than half of the times required in surrounding states – a tribute to UW Hospital’s diligence in obtaining donor organs and to UW-developed innovations in chemical solutions that can preserve organs, for longer periods of time.

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### **Pioneering Breast Cancer Treatment**

President Lyall reported that UW radiologist Robert Kuske and UW surgeon Eberhard Mack are international pioneers in a new breast cancer treatment called brachytherapy that shortens treatment time from six weeks to one, with less damage to skin and tissue.

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### **UW-Milwaukee’s Residential Reading Camp**

Noting that the residential reading camp is a program of UW-Milwaukee’s Pre-College Academy, President Lyall indicated that campers in grades six through eight came to campus in August, lived in Sandburg Residence Halls and participated in reading and writing classes, interactive visual art, dance, theater, career and higher education exploration, sports, field trips, and leadership skills exercises. They also attended a speech by President Bush and were visited by several state legislators.

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### **Revamped UW System News Site**

Reporting that a new and improved UW System news site was being unveiled, President Lyall indicated that it provides one-stop access to campus and System news, an events calendar, access to *Wisconsin Ideas* online, budget information, legislative updates and system-wide media contacts. She thanked Erik Christianson and Jennifer Moore, of University Relations, for their work in making these improvements to a vital communications tool. To see the news site, viewers may go to [www.wisconsin.edu](http://www.wisconsin.edu) and click on News.

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### **Death of Regent Emeritus Russell O'Harrow**

President Lyall advised that Regent Emeritus Russell O'Harrow had recently died of a brain tumor. He was a champion of students, an advocate of agriculture, and a friend and advisor to the end, she stated, adding that he had chaired the search committee that selected her as Vice President for Academic affairs twenty years earlier.

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## **REGENTS TEACHING EXCELLENCE AWARDS**

In opening remarks, Regent President Gottschalk noted that this year marks the 11<sup>th</sup> annual presentation of the Regents Teaching Excellence Awards. He could think of no better measure of the quality of UW campuses than the individuals and programs honored with these awards. Day in and day out, he added, these dedicated faculty and staff remind students that the hallmark of a high quality education is excellent teaching, and the annual ceremony recognizes teaching and learning as the cornerstones of the university system.

He noted that three awards would be conferred – two individual awards recognizing outstanding career achievement and one department or program award honoring collaborative achievement. He thanked the Office of Professional and Instructional Development for their work in administering the award program.

Regent President Gottschalk also expressed appreciation to the Special Regent Committee that selected the award winners: Regent Axtell, Chair; Regent Burmaster, Regent Klauser, and Regent Olivieri.

Regent Axtell began his remarks by welcoming the award recipients, their friends and families. He thanked his fellow committee members and Rebecca Karoff, Senior Program Administrator in the Office of Academic Affairs, for their excellent work leading to conferral of these awards.

Nominees for the awards, he indicated, were deeply committed to developing and implementing highly effective teaching and learning strategies and demonstrated significant impact on the intellectual development of their students. The pool of nominees was excellent, and it was challenging to choose only three among them.

Beginning the award presentations, Regent Klauser introduced Leonard Gambrell, Professor Emeritus of Political Science at UW-Eau Claire, as a pioneer of both content and method in the teaching of political science and international relations who pressed his students to excel, to refuse complacency and to think critically in all of their endeavors. He also has been an outstanding university citizen, called upon countless times by the Eau Claire community for his expertise in international relations, world conflict, and peace issues. He is particularly renowned for his courses on Vietnam that include for-credit trips to that country. After 35 years at UW- Eau Claire, he retired to New Mexico but still teaches occasional courses at New Mexico State University in Las Cruces and will continue leading study tours to Vietnam.

Expressing appreciation for the award, Dr. Gambrell credited his students over the years for teaching him how to teach. He stated his intention to contribute his \$5,000 award to the UW-Eau Claire Foundation for a new scholarship for students.

To be successful in teaching, he explained, it is necessary to pay careful attention to those being taught – to focus on who they are and what their experiences have been – to respect them and to challenge them. In exit interviews with students, he had learned that faculty who received the most favorable comments were those who demanded the most of their students but did so in a reasonable manner, tailored to their needs. He added that students need to be challenged both about the content of the course and about the thinking process through which they understand that content.

It is important, he continued, for a quality teacher to demonstrate passion for learning so that it is clear to the students that the teacher believes in what he or she is doing; to make clear the pedagogical goals of the course; and never hesitate to express doubt or uncertainty about an issue when appropriate. Elaborating on the latter point, he said teachers should share with students the reasons for their beliefs or doubts and should demonstrate respect for the complexity of ideas, especially in the world of politics, with recognition that there is always room for introducing new evidence and changing one's mind.

Excellent teachers, Professor Gambrell continued, work within their own strengths and do not take on subject matter in which they do not have sufficient depth of understanding. This includes not only keeping up with developments in the field, but also re-examining and reinterpreting older and even ancient theories and masters.

Finally, he said, excellent teachers do what they ask their students to do – that is, engage in writing, research and thinking all of the time.

In closing, he read an e-mail received from a former student who thanked him for his kindness to her when she was young and unsure of herself and for the positive impact he had made on her life. It is this type of comment, he noted, that makes his career in



teaching worthwhile. He also indicated his intention to stay involved at UW-Eau Claire and to include Eau Claire students in his study trips to Vietnam.

Adding her personal congratulations to Dr. Gambrell, Regent Brandes noted that earlier in his career he had taught a course she took as a student at UW-Eau Claire.

Regent Olivieri introduced the second teaching award winner, Keith Rice, Professor of Geography and Geology at UW-Stevens Point, pointing out that Dr. Rice deserves much of the credit for implementing the Geographic Information System (GIS) at UW-Stevens Point, for incorporating it into the geography curriculum, and for teaching students and colleagues how to use it. This cutting-edge technology, he commented, is essential to geography and other fields, expanding the knowledge and uses of geographic information and its applications.

In addition, Regent Olivieri indicated that Dr. Rice's colleagues and students praise his commitment to teaching and student learning and his tireless efforts on behalf of students.

Expressing thanks for the award, Professor Rice gave credit to the Department of Geology, where he had worked for the last 20 years, as a major factor in his success. The department, he noted, is progressive, vibrant and supportive, with 11 faculty members who are always ready to lend a hand. In addition, he expressed appreciation for the assistance and encouragement received from Chancellor George and other administrators.

Most talented teachers, he observed, are partial amalgamations of their own past teachers who inspired and motivated them. He had learned, however, that it is a mistake to try to emulate the style of a particular teacher since everyone has their own distinctive strengths. The best teachers find a way to use their individual talents to stimulate and enlighten students.

Dr. Rice added that the style of teaching depends to some extent on the topic being taught and the size of the class. In that regard, the role of a teacher must be flexible and highly interactive. One of the best teaching formulas, he continued, was described by UW-Stevens Point colleague Don Schowalter, himself a Regents teaching award winner, as follows: The best teachers need to use on part head, one part heart, and one part "ham". The mixture of the ingredients varies with the talents and strengths of the individual teacher.

To those three elements, Dr. Rice indicated that he would add two additional "H's": 1) "Hallelujah" – the factor that can inspire students to develop their potential and to love learning, so that they will continue doing it for a lifetime; 2) "Home" – the love and support of his family that is a key to his success.

In conclusion, he emphasized that the true test of effective teaching is to ascertain whether students have not only gained knowledge of the subject, but also have gained the independence and self-confidence to continue the learning process in both their professional and personal lives.

Regent Burmaster presented the third teaching award to the UW-Extension Wisconsin 4-H Youth Development Program, represented by Professor Gregory Hutchins, State Program Leader and Assistant Dean; Sue Pleskac, Professor of Extension Youth Development Education and Chair of the Department of Youth Development; and Professor Donna Menart, Assistant State Program Leader.

Observing that this award is a fitting culmination to the program's centennial year celebration, Regent Burmaster noted that it has no campus or traditional classrooms. Rather, its 90 faculty and staff are located in counties throughout the state, and its student body includes thousands of youth across the state, involved in a variety of programs.

Wisconsin 4-H Youth Development, she pointed out, truly exemplifies the Wisconsin Idea in literal as well as symbolic terms, since the borders of the program really are the borders of the state. Serving generations of Wisconsin youth, the program has produced thousands of active and engaged citizens and benefited countless others through 4-H activities.

Accepting the award for Wisconsin 4-H, Professor Hutchins observed that, with communities across the state as "classrooms", program colleagues sometimes could feel far removed from the university. This award, he stated, instantly shrinks that distance and serves as a powerful reminder that 4-H Youth Development is a fundamental and honored part of the prestigious UW System.

He noted that the program is very large, with over 2,000 community-based 4-H clubs, enrolling over 44,000 young people and including more than 20,000 adult volunteer leaders. Another 100,000 young people are reached annually with a variety of short-term educational activities. In addition to directing youth programs, faculty and staff actively engage in their communities by bringing UW research-based information about youth development to local community coalitions and youth-serving organizations.

4-H has deep roots in Wisconsin communities, Professor Hutchins observed, noting that for many people the community 4-H club is their closest contact to the university and for many young people, it is their first contact. He stated that program staff constantly strive to make those contacts ever more meaningful and valuable. For example, he explained that, in conjunction with the national centennial celebration, Wisconsin 4-H has taken part in a National Conversation of Youth Development by convening 83 local conversations involving more than 2,000 youth and adults in discussions about the topic of youth development. There also was a statewide conversation, with 300 delegates coming from around the state to discuss that topic. Faculty and staff then began the process of developing educational responses to the findings from those conversations.

Indicating that 4-H is deeply rooted in partnerships, he explained that these relationships, without which educational programming could not be done, include public-private partnerships, campus-community partnerships and youth-adult partnerships. He then described several of those special relationships:

- 1) Collaboration with UW-Eau Claire and the Lac Courte Oreilles Ojibwa Community College in a new curriculum for teaching youth about the Ojibwa culture;
- 2) Partnership with UW-Milwaukee faculty and students to improve science skills in central city youth;
- 3) Ongoing partnerships with faculty at UW-Madison, UW-Stevens point, and UW-River Falls that have resulted in many quality educational programs.

Professor Hutchins then introduced several key leaders and partners:

- 1) Donna Menart, Assistant State Program Leader;
- 2) Sue Pleskac, representing county faculty, who is 4-H Youth Development Educator in Jefferson County and Chair of the Department of Youth Development;
- 3) Duane Bunting, Vice President of the Wisconsin 4-H Foundation Board, that has been raising private money to supplement 4-H's public funding since 1954;
- 4) Kay Lettau, President of the State 4-H Leader Council, representing 22,000 adult volunteers;
- 5) Ellen Polglaze, a senior at Milton High School, representing 4-H youth.

Speaking about the benefits of 4-H programming, Ms. Polglaze identified the following factors that make it a strong educational program;

- 1) Emphasis on diversity: 4-H is open to rural and urban students with all kinds of different interests and talents;
- 2) Leadership development: youth do the program planning and organizing, which gives them a sense of responsibility and ownership of the programs;
- 3) Mentoring: Older youth help and teach younger ones in all programs.

Ms. Polglaze indicated that 4-H also had benefited her personally by broadening her horizons through travel, by improving her communication skills through public speaking, and by providing her with leadership opportunities on the county, state and national levels. She also had learned diplomacy, delegation and management skills that would serve her well through life.

Chancellor Reilly then recognized the following people who had been involved in 4-H in their youth: Regent President Gottschalk, Regent Boyle, Regent Brandes, Regent Burmaster, Chancellor Lydecker and Chancellor Zimpher, Vice Chancellor Hammersmith, Vice Chancellor Helm, Vice Chancellor Hitch, and Vice Chancellor Van Keckerix.

Thanking the Board for recognizing 4-H as one of the jewels in the UW's crown, Chancellor Reilly observed that the connection between 4-H and the university is not always evident to the public. This makes the Board's choice to honor 4-H as one of its outstanding educational programs all the more important and beneficial both to 4-H and to the UW.

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## **REPORT OF THE EDUCATION COMMITTEE**

The report of the Education Committee was presented by Regent Boyle, Chair.

### **Discussion of 2002-03 Education Committee Agenda**

Regent Boyle stated that the focus of the committee for 2002-03 will be to promote student success through quality programs that foster effective teaching and learning. Expanding on this, Regent Boyle continued, includes a description and redefinition of what we mean by a "student". The most effective way of "Engaging Wisconsin", Regent Boyle pointed out, is through our programs and recognizing that these programs are a part of the university which our students benefit from because of their participation. Regent Boyle emphasized the importance of focusing on alternative indicators of quality and looking at quality from many different perspectives.

Senior Vice President Cora Marrett reported on the re-organizational structure of the Office of Academic Affairs and Student Services (previously the Office of Academic Affairs) identifying six priorities for staff which coincide with the priorities the Education Committee has established.

Associate Vice President Ron Singer outlined the program review process, from entitlement to 5-year review, designed to ensure quality. And Associate Vice President Frank Goldberg noted the vast number of reports prepared annually using different quality indicators. How to gauge quality in the UW System will be discussed at future meetings.

In discussion, Regent Olivieri noted that the Education Committee will continue to struggle with subjective standards as it relates to quality and success of students. Objective factors, such as indicators in terms of graduates, their employment, test performances, credits-to-degree, and attracting research dollars, have shown that the quality for the UW System is strong. The debate and discussion, Regent Olivieri continued, needs to focus on how to increase enrollment. One of the major needs of Wisconsin in terms of economic development is a higher percentage of college graduates.

President Lyall concurred adding that the UW System's ability to do the kinds of things that students need to succeed is related to resources.

Regent Krutsch pointed out that the Board supports a quality system through its policy making authority and responsibility.

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### **Program Authorizations - First Reading**

#### ***B.S. in Athletic Training, UW-Oshkosh***

The B.S. in Athletic Training at UW-Oshkosh is a program that is moving from a minor to a major due to an increased need for athletic trainers in the state. Action on this program will be taken at the next Board of Regents meeting.

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#### ***Master of Social Work, UW-Green Bay and UW-Oshkosh***

The Master of Social Work program is a collaborative graduate degree program between UW-Green Bay and UW-Oshkosh. It is an excellent example of two universities minimizing resource expenditures on a program that has a viable need in this area of the state. At the next Board of Regents meeting, action will be taken on this program.

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### **Research and Public Service Report**

The Research and Public Service report is mandated by the Legislature every two years. This report reveals how research funds are reallocated from one project to another and how funds are used to support the infrastructure within the university system. It is vital to the inner structure of the universities and in terms of maintaining the capacity to remain a viable research entity within all of higher education.

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Regent Boyle moved adoption by the Board of Regents of Resolutions 8585-8588 as consent agenda items. Regent Mohs seconded the motion and it carried unanimously.

#### **UW-Milwaukee: Program Authorization (Implementation) B.A., Global Studies**

Resolution 8585:           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.A. in Global Studies.

**Annual Report on 2001 Undergraduate Drop Rates**

Resolution 8586: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents accepts the Annual Report on 2001 Undergraduate Drop Rates for submission to the Joint Committee on Finance.

**2002 Research and Public Service Report**

Resolution 8587: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents accepts the 2002 Research and Public Service Report for submission to the Joint Committee on Finance.

**UW-Stout: Appointment of Named Professor**

Resolution 8588: That, upon recommendation of the Chancellor of the University of Wisconsin-Stout and the President of the University of Wisconsin System, the following named professorship be approved:

Gour Choudury	Evelyn Carol Van
Food and Nutrition	Donk Steenbock Chair
	(effective September 1, 2002)

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**REPORT OF THE PHYSICAL PLANNING AND FUNDING COMMITTEE**

The report of the Physical Planning and Funding Committee was presented by Regent Gracz, Chair.

**Program Review: Outsourcing Services at UW Institutions**

The Physical Planning and Funding Committee met jointly with the Business and Finance Committee to discuss the *Outsourcing Services at UW Institutions*. Many services outsourced are related to physical plant operations. The contract management is key to the success of any outsourcing venture.

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## **Report of the Assistant Vice President**

### ***Building Commission Actions***

Assistant Vice President Nancy Ives reported that the Building Commission approved about \$17 million for various projects at their June and August meetings, of which almost \$10 million in maintenance and repair projects is included. The Commission also established a 50% non-GPR contribution to the Meat/Muscle Research facility that had been added to the 2001-03 Capital Budget by the legislature. The Wisconsin Veterinary Diagnostic Lab will be receiving federal funds through the Homeland Security program to create an animal testing facility.

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### **UW Colleges: Annual Report**

Steve Wildeck, Vice Chancellor for Administrative Services presented the UW Colleges Annual Report. The city and county support for UW Colleges remains strong even in cautious economic times. Cities and counties will make \$6 million in debt service payments this year for building construction and renovation, and will spend about \$2 million on minor upgrade projects and services to maintain facilities. UW Colleges hope to receive approval for \$4.3 million for movable and special equipment projects. Locally funded construction costs for these projects are expected to exceed \$16 million.

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### **UW-La Crosse: Development Plan Update**

Chancellor Doug Hastad and Vice Chancellor Ron Lostetter explained the Campus Development Plan Update for UW-La Crosse. The plan for physical development is driven by the Campus Strategic Plan. Their top priority is to develop new classroom space to support quality professional programs. Existing classrooms will be remodeled and reallocated for other purposes. A long range plan to replace and update student housing will be implemented.

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### **2002-03 Committee Work Plan**

The Committee's focus will be on long range planning and financing strategies. They will also look at the potential of forging new partnerships and finding new approaches to meeting the needs of facilities. At Regent Randall's suggestion, information will be forthcoming regarding the positive impact of the University's building program on small businesses, which is an important part of the Wisconsin economy.

Regent Gracz moved adoption by the Board of Regents of Resolution 8589. It was seconded by Regent De Simone and carried unanimously.

**UW-Madison: Approval of the Design Report and Authority to Construct a Cole, Sullivan and Bradley Halls Maintenance Project**

Resolution 8589: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Cole, Sullivan, and Bradley Halls Maintenance project, at an estimated project cost of \$5,266,671. This project also includes \$40,000 for the consultant to provide a cost-benefit analysis to renovate, reconfigure or replace Ogg Hall, resulting in an estimated total project cost of \$5,306,671, Program Revenue Cash – Housing Funds.

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**REPORT OF THE BUSINESS AND FINANCE COMMITTEE**

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

**Program Review: Outsourcing Services at UW Institutions**

The Business and Finance Committee met in a joint session with the Physical Planning & Funding Committee to focus on Program Review: Outsourcing Services at UW Institutions. Director of Internal Audit, Ron Yates reviewed outsourcing, or contracting out, for services. Advantages of outsourcing services include potential cost savings, added expertise in the service, and the ability to avoid certain capital investments. Disadvantages include loss of in-house expertise, less control over cost increases over time, and the disruption of services caused by changes in contractors that are out of the control of the universities, such as vendor bankruptcy. The key to success in outsourcing is tight contracts management. A list of factors that all institutions should consider when making outsourcing decisions is being compiled by the Office of Procurement.

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### **Committee Themes and Goals for 2002-03**

Debbie Durcan, Vice President, presented four themes for the Business and Finance Committee for 2002-03. These include:

- Implementing the Building our Resource Base Recommendations.
- Advocating and Developing New Initiatives for the 2003-05 Biennial Budget.
- Ensuring Fiscal Management and Accountability.
- Ensuring Stewardship Responsibilities with Respect to Investments/Trust Funds.

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### **Building our Resource Base Implementation Plan**

Acting Associate Vice President Freda Harris reported on the status of the recommendations adopted to build the resource base. Of 25 options presented, the Board decided to immediately implement 10, make 6 a priority for study and pilot one option before deciding to implement it on a systemwide basis.

System Administration has taken the following steps to implement the Board's recommendations:

- Alternatives for investment of auxiliary funds in longer-term securities is being developed.
- A private consultant was hired to develop a feasibility/ marketing study on private fund raising.
- Discussions with the institutions about the development of more "corporate college" efforts has begun.
- Greater use of the differential tuition options to meet unfunded high priority needs has been encouraged.

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### **UW-Eau Claire Differential Tuition**

Acting Assistant Vice President Andrew Richards reported on the history of differential tuition, noting that in 1996, the Board of Regents approved a differential tuition program for UW-Eau Claire. Since first adopted, Chancellor Mash noted that the dollar amount of the program has been fixed at \$50 per semester. Revenues generated support programs such as: First-year experience course sections, capstone courses, and undergraduate student/faculty collaborative research.

Chancellor Mash introduced Craig Smith, a student at UW-Eau Claire. Mr. Smith noted that the programs being funded are essential to a student's experience at UW-Eau Claire, and the goal should be to keep these programs in place for the future.

### **Stock Market Impact on Trust Funds, Foundations and Auxiliaries**

Doug Hoerr, Assistant Trust Officer, UW System, noted that many factors have led to the decline in the stock market, which has, in turn, had an impact on our investment earnings for auxiliary operations, as well as Endowment and Foundation market values.

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### ***Auxiliary Reserves Report to Joint Finance***

Doug Hendrix, Associate Vice President for Financial Administration, reported that, as required by law, a letter on planned auxiliary reserves was sent to the Joint Finance Committee. The Joint Finance Committee must approve any reserves that exceed 15% of prior year revenues for student fee funded auxiliary operations. Nine UW institutions have planned reserves that exceed this reporting threshold by a collective total of \$2.1 million.

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### ***4<sup>th</sup> Quarter Gifts, Grants and Contracts***

Vice President Debbie Durcan stated that total gifts, grants and contracts for the 12-month period ended June 30, 2002 was \$920.5 million, an increase of \$53.1 million from the comparable period of the previous fiscal year. Federal awards increased \$75.7 million while non-Federal awards decreased \$22.6 million, in part attributable to the contributions for the construction of gifts toward buildings.

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### ***Trust Funds Issues: Asset Allocation and Spending Plan Review***

Assistant Trust Officer, Doug Hoerr, reported on the current asset allocation of Trust Funds. Information was provided regarding potential return under alternative asset allocation models.

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### **Report of the Vice President**

Vice President Debbie Durcan reported that the UW System's assessment of the statewide Shared Human Resources System dropped 50% for a savings of \$76,000. UW System will be facing a significant increase in property insurance, with premiums increasing from \$600,000 to \$1.9 million in fiscal year 2004.

Ron Yates pointed out the types of audits currently being conducted at the institutions that relate to ensuring fiscal integrity.

Senior Vice President David Olien provided an update on the potential hazard of employee driven 15 passenger vans. Mr. Olien noted the policy changes were immediately put into place, and that safety is a paramount concern for University students and employees.

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Regent Klauser moved adoption of Resolutions 8590-8591 to the Board of Regents as consent agenda items. Seconded by Regent Olivieri, the motion was carried unanimously.

**Contract for Exclusive Multi-Media Rights for UW-Madison Division of Intercollegiate Athletics**

Resolution 8590: That upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison, the Board of Regents accepts the agreement with Learfield Communications.

**Report on Base Salary Adjustments to Recognize Competitive Factors Required by s.36.09(1)(j), Wis. Stats.**

Resolution 8591: That, upon the recommendation of the President of the University of Wisconsin System, the Report on 2001-02 Base Salary Adjustments to Recognize Competitive Factors Required by Section 36.09(1)(j), Wisconsin Statutes, be accepted for transmittal to State Officials.

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## COMMUNICATIONS, PETITIONS, MEMORIALS

Calling on Regent Boyle to present a memorial resolution for Regent Emeritus Russell O'Harrow, Regent President Gottschalk indicated that he had served on a Board of Visitors with Mr. O'Harrow, whose heart always was with the University of Wisconsin and who will be sorely missed. Regent Boyle indicated that Mr. O'Harrow also had chaired the committee that selected him for the position of UW Extension Chancellor.

The following resolution was ready by Regent Boyle and adopted by acclamation.

**Memorial Resolution for Russell O'Harrow**

Resolution 8592:           Whereas, Russell O'Harrow was a distinguished agricultural and educational leader, who served as a member of the Board of Regents from 1979 to 1986; and

Whereas, his deep commitment to the Wisconsin Idea prompted him to take a leading role in promoting and enhancing the UW's continuing education mission to benefit the people and economy of the state; and

Whereas, as chair of the Board's Physical Planning and Development Committee, he contributed significantly to planning and stewardship of university facilities and lands; and

Whereas, he dedicated his career to farming, taking an active role in local, state and national agricultural organizations, and was instrumental in the initiation and success of the Wisconsin Rural Leadership Program; and

Whereas, he lent his time and talent to numerous civic and service groups, including his local school board and church, political groups, the Green Bay Botanical Gardens, Friends of the Arts, and the Oconto Falls Chamber of Commerce; and

Whereas, Russell O'Harrow died on August 28, 2002,

Now, therefore, be it resolved that the Board of Regents recognizes with appreciation his lifetime of accomplishments and service and extends sincere condolences to his wife, Audrey, their nine children and extended family.

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**CLOSED SESSION**

The meeting was recessed at 10:40 a.m. and reconvened at 10:55 a.m., at which time the following resolution, moved by Regent Marcovich and seconded by regent Barry was adopted unanimously on a roll-call vote, with Regents Axtell, Barry, Boyle, Brandes,

Burmaster, DeSimone, Gottschalk, Gracz, Jones, Klauser, Krutsch, Marcovich, Mohs, and Olivieri (14) voting in the affirmative. There were no dissenting votes and no abstentions.

Resolution 8593: That, the Board of Regents recess into Closed Session, to consider an appeal of a UW-Madison decision, as permitted by s.19.85(1)(f), *Wis. Stats.*, to confer with Legal Counsel, as permitted by s.19.85(1)(g), *Wis. Stats.*

The Board arose from closed session at 11:20 a.m., having adopted the following resolution.

**Appeal of a UW-Madison Decision**

Resolution 8594: That the Board of Regents adopts the attached decision in the appeal of a UW-Madison decision.

The meeting was adjourned at 11:20 a.m.

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Judith A. Temby, Secretary



