



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

April 30, 2003

TO: Each Regent

FROM: Judith A. Temby

A handwritten signature in dark ink, appearing to read "J. A. Temby", written over the printed name.

RE: Agendas and supporting documents for meetings of the Board and Committees to be held at UW-Stevens Point on May 8 and 9, 2003.

Thursday, May 8, 2003

10:00 - 11:00 a.m. – Campus Tour

11:00 - 12:00 noon –

- Budget Update
  - Online Learning in Wisconsin: Access Through Collaboration
- University Center, Laird Room  
**All Regents Invited**

12:00 - 1:00 p.m. – Lunch

University Center, Alumni Room

1:00 p.m. – Education Committee

University Center, Laird Room

Business and Finance Committee

University Center, Room 125

Physical Planning and Funding Committee

University Center, Legacy Room

Friday, May 9, 2003

8:00 a.m. – Regent Student Breakfast (Regents only)

Founders Room, Old Main, Room 102

– Continental Breakfast

University Center, Alumni Room

9:00 a.m. – Board of Regents

University Center, Laird Room

*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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## BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

### I. Items for consideration in Regent Committees

1. Education Committee - Thursday, May 8, 2003  
Laird Room, University Center  
University of Wisconsin-Stevens Point

10:00 a.m.     Campus Tour

11:00 a.m.     All Regents

- Budget Update
- Online Learning in Wisconsin: Access Through Collaboration

12:00 p.m.     Lunch

1:00 p.m.     Education Committee.

- a. Approval of the minutes of the April 10, 2002 meeting of the Education Committee.
- b. Discussion: All-Regent Sessions.
- c. Report of the Senior Vice President for Academic Affairs:
  - (1) Internationalizing UW-Stevens Point Students, Faculty, Staff and Community;
  - (2) Announcement of the proffer from the Trustees of the William F. Vilas Trust Estate for support of scholarships, fellowships, professorships, and special programs in arts and humanities, social sciences and music;  
[Resolution I.1.c.(2)]
  - (3) Other.
- d. Renaming the School of Nursing, UW-Milwaukee  
[Resolution I.1.d.]

Additional items:

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

Closed session items:

- f. Closed session to consider personnel matters, as permitted by s. 19.85(1)(c), Wis. Stats. [Possible agenda item: Extended Leave of Absence, UW-Whitewater].

Acceptance of the Proffer from the Trustees  
of the William F. Vilas Trust Estate

EDUCATION COMMITTEE

Resolution I.1.c.(2):

That, upon recommendation of the Chancellors of the University of Wisconsin-Madison and the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents accepts the proffer made by the Trustees of the William F. Vilas Trust Estate for fiscal year July 1, 2003 to June 30, 2004, as provided by the terms of the William F. Vilas Trust, for Support of Scholarships, Fellowships, Professorships, and Special Programs in Arts and Humanities, Social Sciences, Biological Sciences, Physical Sciences and Music.

**ANNOUNCEMENT OF THE PROFFER FROM THE  
TRUSTEES OF THE WILLIAM F. VILAS TRUST ESTATE  
FOR SUPPORT OF SCHOLARSHIPS, FELLOWSHIPS,  
PROFESSORSHIPS, AND SPECIAL PROGRAMS IN ARTS AND  
HUMANITIES, SOCIAL SCIENCES AND MUSIC, AND  
A SPECIAL CONSTRUCTION FUND**

**EXECUTIVE SUMMARY**

**BACKGROUND**

The terms of the Deed of Gift and Conveyance of the estate of William F. Vilas, subsequently validated and accepted by an act of the legislature of Wisconsin, provides in part that the Trustees of the Estate may proffer in writing to the Board of Regents funds for the maintenance of scholarships, fellowships, professorships, with their respective auxiliary allowances, and other like endowments specifically enumerated, defined, and provided for by the Deed.

At the beginning of each calendar year, the Trustees of the William F. Vilas Trust Estate formally request that the President of the UW System ask the Chancellors of UW-Madison and UW-Milwaukee to determine from the Vilas Professors the amounts they will request for special project allowances for the ensuing academic year and to obtain from the Chairs of the UW-Madison and UW-Milwaukee music departments their programs and requests for the next year. In addition, the Chancellor of UW-Madison is asked to determine the number of scholarships, fellowships, Vilas Associates, and any other initiatives to be requested.

The Board of Regents approved the UW-Madison and UW-Milwaukee requests at the April, 2003, meeting; following approval, President Lyall sent the formal request to the Trustees. The Trustees determine the amount of income that is available for the various awards (particularly for music, which varies with the value of the trust) and respond with a proffer of funds, which is included in the following document.

**REQUESTED ACTION**

Approval of resolution I.1.c.(2), accepting the proffer from the Trustees of the William F. Vilas Trust Estate.

**DISCUSSION**

The attached document contains the Vilas Trustees' proffer detailing how the funds may be expended. It has several components: (a) continuation of Trustee-approved programs for funding of Vilas Research Professorships, retirement benefits, scholarships, and fellowships (\$1,450,000); (b) support of Vilas Associates in the Arts & Humanities, the Social Sciences, the Physical Sciences, the Biological Sciences; continuation of existing Vilas Young Investigators awards, and a one-time-only program allocation (reinstatements), all at UW-Madison (\$3,452,000); (c) approval of the request from UW-Madison that, pursuant to Article 5 of the Deed of Gift and conveyance, one-half the annual net income be allocated to a special construction fund for the research facility of the BioStar program, identified as the Microbial Sciences Building (\$5,401,097.55); (d) support for the "2003-2004 GUEST ARTISTS" program at the UW-Madison School of Music (\$24,300); (e) support for the "Celebrating the Creation and Performance of Contemporary Music" program, UW-Milwaukee (\$18,500).

**Supporting material for Agenda Item I.1.c.[2] may be obtained by contacting the Board of Regents Office.**

**Phone: 608-262-2324**

**Fax: 608-262-5739**

EDUCATION COMMITTEE

Resolution I.1.d.:

That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the name of the University of Wisconsin-Milwaukee School of Nursing be changed to the College of Nursing.

**RENAME UNIVERSITY OF WISCONSIN - MILWAUKEE  
SCHOOL OF NURSING  
(APPROVAL)**

**EXECUTIVE SUMMARY**

**BACKGROUND**

Academic Information Series 1. revised, requires that any request to "establish, rename, or eliminate a College, School, or Division" receive Board approval.

The University of Wisconsin-Milwaukee requests approval to change the name of the School of Nursing to the College of Nursing. The name change will give appropriate recognition to the reputation and increasing complexity of the school, and will enhance the ability to recruit and retain highly qualified students and faculty. This change has been endorsed by the Faculty Senate, Provost John Wanat, and Chancellor Nancy Zimpher. Copies of the related campus documents are attached.

**REQUESTED ACTION**

Approval of resolution I.1.d., approving the name change of UW-Milwaukee's School of Nursing to the College of Nursing.

**RELATED POLICIES**

Academic Information Series 1. revised (ACIS-1). Academic Program Planning and Program Review (May, 2000).

**Supporting material for Agenda Item I.1.d. may be obtained by contacting the Board of Regents Office.**

**Phone: 608-262-2324**

**Fax: 608-262-5739**



I.2. Business and Finance Committee

Thursday, May 8, 2003  
Room 125  
University Center  
UW-Stevens Point

11: 00 a.m. All Regent meeting

- Budget Update
- Online Learning in Wisconsin: Access Through Collaboration

12:00 p.m. Lunch

1:00 p.m. Business and Finance Committee

- a. Approval of minutes of April 10, 2003 meeting of the Business and Finance Committee
- b. Discussion: All-Regents Sessions
- c. UW-Stevens Point Presentation: Electronic Authorization and Web Registration
- d. Trust Funds
  - (1) Approval of Reed A. Walker Bequest  
[Resolution I.2.d.(1)]
  - (2) Proxy Voting Report
- e. Committee Business
  - (1) Update on Finance Related Program Reviews
  - (2) Quarterly Gifts, Grants, and Contracts
- f. Report of the Vice President
- g. Additional items which may be presented to the Committee with its approval
- h. Closed session to consider trust fund matters as permitted by s.19.85(1)(e), *Wis. Stats.*

Acceptance of Bequest and  
Request for Principal  
Expenditure  
UW System Trust Funds  
Reed A. Walker Bequest

## BUSINESS AND FINANCE COMMITTEE

### Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, the Chancellor of the University of Wisconsin-Madison, and the Dean of the Medical School, the bequest from the estate of Reed A. Walker 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.

Further, that, upon recommendation of the President of the University of Wisconsin System and the Dean of the University of Wisconsin-Madison Medical School, \$1,000,000 of the principal of the Reed A. Walker bequest be made available for expenditure.

Let it be herewith also resolved, that the President and Board of Regents of the University of Wisconsin System, the Chancellor of the University of Wisconsin-Madison, and the Dean of the Medical School express their sincere thanks and appreciation to the donors for their exceptional generosity. This gift will benefit indefinitely the University's efforts to care for, alleviate, and eliminate where possible, cancers of children.

**UW SYSTEM TRUST FUNDS  
ACCEPTANCE OF BEQUEST AND  
REQUEST FOR PRINCIPAL EXPENDITURE  
Reed A. Walker 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, 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.

Also, 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, whether at the time of initial acceptance or at a later date, a request giving justification 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**

Resolution accepting and recognizing the Reed A. Walker bequest and approving the request from the Medical School for expenditure of principal.

**DISCUSSION**

A bequest of \$2,000,000 has been received from the estate of Reed A. Walker. The Will of Reed A. Walker states the following:

"2.4 To the UNIVERSITY OF WISCONSIN COMPREHENSIVE CANCER CENTER, PEDIATRIC DIVISION, for clinical studies, the sum of Two Million Dollars (\$2,000,000.00)."

The personal representative and attorney for the estate, Stuart Foster, suggested in writing that a gift of this size should be properly memorialized and that "notwithstanding that the gift is from Reed Walker's estate, it should be memorialized in the names of Reed and Carolee Walker." Mr. Foster also asked that he be kept apprised of how the Cancer Center intends to structure these funds and recognize the Walkers.

The University of Wisconsin-Madison Medical School proposes the following uses of the Walker bequest: (1) one-half (\$1,000,000) to establish and endow the "Reed & Carolee Walker Professorship in Pediatric Oncology," and (2) one-half (\$1,000,000) to support the construction of new pediatric oncology research facilities in either the Interdisciplinary Research Complex or the New Children's Hospital. Attached to this executive summary is a letter from Dean Phil Farrell describing the Medical School's proposal. The Medical School has discussed this proposal with the personal representative and reports that he was quite pleased with the plans.

Regarding background information on the donors and their connection to the University, the Walkers (of Medford, Oregon) had somewhat of an indirect connection. Reed Walker's wife, Carolee, received care for her cancer at Stanford Medical Center, where she was treated by Dr. John Niederhuber. The Walkers developed a friendship with Dr. Niederhuber which continued after Dr. Niederhuber became the director of the University of Wisconsin Comprehensive Cancer Center. It was also noted by the Trust Administrator with the attorney for the estate, that Carolee had a great love of children.

## **RELATED REGENT POLICIES**

Resolution 8559 of 6-7-02: Process for Presenting and Reporting Bequests

Resolution 5631 of 10-5-90: Quasi-Endowments over \$50,000



UNIVERSITY OF  
WISCONSIN-MADISON  
MEDICAL SCHOOL

**Date:** April 22, 2003

Doug Hoerr  
UW Trust

**From:** Philip M. Farrell, MD, PhD *Farrell*  
Dean

Reed & Carolee Walker Gift

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The Medical School is pleased to accept the gift from the estate of Reed Walker.

Consistent with the donor's request, we will be utilizing this gift to further our research efforts in Pediatric Oncology. Our intent is to utilize \$1,000,000 of the funds to establish and endow the Reed & Carolee Walker Professorship in Pediatric Oncology. We would like to utilize the remaining \$1,000,000 to support the construction of new pediatric oncology research facilities. At this time, planning is underway for both the Interdisciplinary Research Complex and the New Children's Hospital. Pending completion of the planning phase, we would utilize the funds to create new Pediatric Oncology research space in one of the facilities.

Based on the usage noted above, we are requesting that \$1,000,000 be made quasi-endowment to allow for usage in construction of new research facilities. The remaining \$1,000,000 would become deemed endowment under the normal policy. With recent decisions regarding usage of the Blue Cross conversion funds, the need for research facility funding is more acute than ever. We will happily provide an appropriate recognition of the Walker Family in the facility as well as the naming of the professorship.

If there are any additional questions regarding this gift, please contact Kenneth Mount, Assistant Dean for Fiscal Affairs at 263-4938.

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Medical School Administration

**UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS  
SHAREHOLDER PROPOSALS AND  
RECOMMENDED VOTES FOR 2003 PROXY SEASON**

**EXECUTIVE SUMMARY**

**BACKGROUND**

Regent Policy 92-4 contains the current proxy voting policy for UW System Trust Funds. Non-routine shareholder proposals, particularly those dealing with discrimination, the environment, or substantial social injury (issues addressed under Regent Policies 78-1 and -2, 74-3(a), and 97-1, respectively), are to be reviewed with the Committee to develop a voting position.

**REQUESTED ACTION**

Discussion and approval of recommended voting positions in Closed Session.

**DISCUSSION**

Approval to vote in favor of the following new "issue" is being sought for the 2003 proxy season: "Report on health pandemic in Africa." Numerous companies are being asked to (1) report on the effect of deadly diseases (e.g., HIV/AIDS, tuberculosis, and malaria) on the company's operations, and (2) to report on company efforts to provide prevention (including education) and adequate medical treatment and healthcare coverage. The full report on non-routine shareholder proposals for the 2003 proxy season, including summaries of pre-approved "issues," is attached.

**RELATED REGENT POLICIES**

Regent Policies 92-4, 74-3(a), 78-1, 78-2, and 97-1.

# **UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS**

## **Shareholder Proposals and Recommended Votes for 2003 Proxy Season**

### **Background**

This annually-provided report is intended to highlight significant "non-routine" proposals, from shareholders or management, which will be voted on by shareholders during the 2003 proxy season. Regent Policy 92-4, "Procedures and Guidelines for Voting Proxies," stipulates that significant non-routine issues are to be reviewed by the Business and Finance Committee to develop a voting position on them. Non-routine issues are defined as the following: acquisitions and mergers; amendments to corporate charter or by-laws which might affect shareholder rights; shareholder proposals opposed by management; and issues dealing with discrimination, the environment, or substantial social injury (issues addressed under Regent Policies 78-2, 74-3(a), and 97-1, respectively).

The majority of significant non-routine proposals are those dealing with social responsibility issues and corporate governance-related proposals which are often opposed by management. To the extent possible, similar shareholder proposals will be grouped into identifiable "issues" (or themes). Generally, it will be these "issues" (covering similar or identical proposals at various companies) that are reviewed and potentially approved for support by the Committee. (On occasion, individual, company-specific proposals not falling under a broad theme will also be presented.)

### **The 2003 Proxy Environment**

Shareholder activists have filed just under 250 proposals on social issues for U.S. companies' annual meetings in 2003. As a result, the 2003 proxy season will be about as busy as 2002's (last year ended with 296 social proposals filed and 161 that came to votes). The leading categories for 2003 are once again the environment, with over 50 proposals filed, and global labor standards, with 27 proposals filed. Concerns over healthcare and drug development, equal employment opportunity (particularly the push for sexual orientation anti-bias policies), and tobacco have also inspired numerous resolutions this year.

Religious investors affiliated with the Interfaith Center of Corporate Responsibility have been the lead sponsors of the largest share (almost 40 percent) of the social issue-oriented proposals this year. Public pension funds, particularly the New York City funds, have filed about a fifth of the proposals this year, followed closely by investment firms that specialize in socially responsible investment (SRI). The balance of the resolutions have been filed by individuals, labor union funds, and members or employees of such interest

groups as Amnesty International, Human Life International, Rainforest Action Network, the Sierra Club, and United for a Fair Economy.

While many of the issues pending for 2003 will be familiar, there are some new campaigns as well. Several of the new campaigns center on healthcare. Religious investors' concerns about the growing AIDS, malaria, and tuberculosis pandemic in sub-Saharan Africa have prompted reworded resolutions to pharmaceutical companies, but also a brand new resolution to several companies that are major employers in Africa. Shareholder proponents are also questioning pharmaceutical companies over their payments to physicians and pharmacy benefit managers to influence their selections of particular drugs, on their ethical criteria for extending drug patents, and about their guidelines for international drug trials.

The New York City pension funds, with support from some religious investors and investment firms, are sponsoring proposals at three companies with commercial ties to Iran and/or Syria; the U.S. State Department considers both countries to be state sponsors of terrorism. The impetus for the proposal is concern that the targeted companies have used overseas subsidiaries to evade U.S. sanctions against countries supporting terrorism.

Finally, corporate governance-related proposals are once again quite numerous in 2003, continuing to gain momentum in the wake of Enron and other corporate scandals beginning in 2002. The majority of the 2003 corporate governance proposals involve "poison pills," "golden parachutes," executive compensation, and auditor independence. Also prompted by the Enron scandal, a resolution to Citigroup, FleetBoston, and J.P. Morgan Chase asks the companies to develop policies to eliminate "loans disguised as trades." The implication from the wording of the proposals is that these companies have, or could, disguise material financings (and associated credit risk) as trading transactions (with associated market trading risk) involving side contracts. Although we have little detail on the basis for these proposals, our proxy review service, IRRC, indicates that a "background report" on this issue will be forthcoming.

### **Specific New Issues for 2003**

The table below summarizes the shareholder proposal "issues" being recommended for affirmative voting in 2003. (Any company-specific proposals not falling under a pre-approved or newly recommended issue are given in the voting detail attachment.)

#### **RECOMMENDED NEW ISSUES FOR 2003 PROXY SEASON**

Issue	Resolution	Recommended Vote	Related Regent Policy
19	Report on health pandemic in Africa	FOR	97-1 (social injury)



Given below is a description of the recommended new issues and detail on the content of the actual shareholder proposals involved.

Issue #19 - Report on health pandemic in Africa
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In recent years, activists have been paying increasing attention to the intensifying pandemic of HIV/AIDS, tuberculosis, and malaria in developing countries, especially in sub-Saharan Africa. For 2003, religious investors and socially responsible investing groups have devised two types of resolutions in order to draw more attention in the corporate world to the crisis: one proposed to major employers in the affected regions and another to pharmaceutical companies.

The first resolution is an entirely new shareholder approach to the issue. It asks companies with substantial leverage in the labor markets of sub-Saharan Africa to report on the effect of deadly diseases on the company's operations as well as on any measures taken in response. The resolution has been proposed to U.S.-based multinationals Caterpillar, Chevron Texaco, Colgate-Palmolive, Exxon Mobil, Ford Motor, and PepsiCo. The proponents are also communicating on the issue with Coca-Cola, Dow Chemical, General Motors, Goodyear, and Royal Dutch Petroleum. Regarding measures taken in response to the pandemic, proposals are asking primarily for reports on company efforts to provide prevention (including education) and adequate medical treatment or healthcare coverage.

The second resolution asks pharmaceutical companies to "establish and implement standards of response to the health pandemic of HIV/AIDS, TB, and malaria in developing countries, particularly Africa." Investors have proposed this to Bristol-Myers Squibb, Johnson & Johnson, Eli Lilly, Merck, Pfizer, and Wyeth, and the proponents are "in dialogue" with Abbott Labs, Glaxo SmithKline, Novartis, and Roche. This is the third year in which the health pandemic in Africa has appeared on the shareholder resolution radar at drug companies. In 2002, resolutions asked nine companies to provide affordable pharmaceuticals in Africa to fight AIDS, TB and malaria. Most of the companies challenged the proposal on grounds that its phrasing raised ordinary business issues, and it came to a vote only at Abbott Labs. It was withdrawn at the other companies after meetings on the issue before the SEC staff made any ruling on the legitimacy of the proposal. Last year's efforts have been characterized as exploratory.

Our recommendation is that all proposals requesting companies operating in the affected areas to report on the impact of the pandemic on their operations and what measures they are taking to aid prevention and treatment, be voted affirmatively. Proposals involving the affordability of pharmaceuticals, in Africa or elsewhere, should be individually reviewed to determine what specifically the company is being asked to do.

## Issues Previously Approved

Given below is a list of those issues that the Committee has previously approved for support (i.e., voting in the affirmative). A brief re-cap of each of these issues then follows.

### PREVIOUSLY APPROVED ISSUES

Issue	Resolution	Recommended Vote	Related Regent Policy
1	Report/implement pharmaceutical policy/pricing	FOR	97-1
2	Report/label Genetically Modified Organisms	FOR	97-1
3	Shareholder approval for future golden parachutes	FOR	Non-routine corp. governance
4	Redeem or vote on poison pill	FOR	Non-routine corp. governance
5	Report/implement recycling development programs	FOR	74-3(a)
6	No consulting by auditors	FOR	Non-routine corp. governance
7	Endorse core ILO principles	FOR	97-1
8	Predatory lending prevention	FOR	78-1 and 97-1
9	Report on executive compensation as related to performance and social issues	FOR	97-1 and corp. governance
10	Report on global warming	FOR	74-3(a)
11	Report on glass ceiling	FOR	78-1
12	Report on international lending policies	FOR	97-1
13	Report on global labor standards	FOR	97-1
14	Endorse CERES principles	FOR	74-3(a)
15	Report on EEO	FOR	78-1
16	Increase & report on board diversity	FOR	78-1
17	Implement MacBride principles	FOR	78-1
18	Adopt sexual orientation non-discrimination policy	FOR	78-1

Issue #1 - Report/implement pharmaceutical policy/pricing
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A major new initiative for the 2002 proxy season were proposals to drug companies on the affordability of AIDS, tuberculosis and malaria drugs in poor countries. The

resolutions ask the companies to "develop and implement a policy to provide pharmaceuticals for the prevention and treatment" of the three diseases "in ways that the majority of infected persons in poor nations can afford." As discussed under the new issue of reporting on the health pandemic in Africa, individual shareholder proposals should be reviewed here to determine what exactly will be expected of the company. Although proposals asking for reporting on the investigation, analysis, and development of policies or programs to provide "affordable" drugs in Africa and other underdeveloped, pandemic-stricken areas should likely be universally supported, proposals requiring implementation of such policies or programs should be individually reviewed.

Issue #2 - Report/label Genetically Modified Organisms
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Food manufacturers are not required to label products made with bioengineered ingredients, and as a result many U.S. consumers may not be aware that they are eating foods made from GMOs. GMO developers, many farmers, and the U.S. government all say that bioengineered plants are safe, but critics worry that the plants may threaten the environment, harm humans, and perhaps lead to the extinction of crops' wild cousins, an important repository of plant genetics. The majority of related resolutions ask companies to label their foods made from bioengineered ingredients or to report to shareholders on their use of bioengineered plants and food ingredients made from these plants, as well as the company's position regarding the risks to which these uses may expose it.

Issue #3 - Approval for future golden parachutes
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Large severance compensation agreements for executives, contingent on a change in corporate control have been the subject of shareholder and management interest for many years. Particularly during the 1980s, when hostile takeovers were commonplace, both shareholders and managers came to realize the costs and potential uses of these safety nets. Shareholder proposals typically ask for shareholder approval of future golden parachutes.

Issue #4 - Redeem or vote on poison pill
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Under a typical plan, shareholders are issued rights to buy stock at a significant discount from the market price. The rights are exercisable under certain circumstances, such as when a hostile third party buys a certain percentage of the company's stock. If triggered, the pill would dilute the value and voting power of the hostile party's holdings to such an extent that the takeover attempt presumably would never be made. Pills are not intended to be triggered, but rather serve as a tool to deter any hostile takeover and force would-be acquirers to deal with the board of directors and potentially increase their purchase bid. Boards are not required to get shareholder approval to adopt poison pills, and they rarely do so. Various academic and institutional studies have not convincingly shown that poison pills generally work to the benefit of or detriment of existing shareholders from a purely economic standpoint. The adoption of poison pills can more unambiguously serve to entrench existing boards and management. Convincingly, critics say the overriding issue is the right of shareholder/owners to decide for themselves what protections they want.

#### Issue #5 - Report/implement recycling development programs

Social investment firms are continuing to press for more recycling. Most proposals ask companies to research how they could make substantive progress in the use of recycled content for their products. Other resolutions ask for a report on the means for achieving a specified percent recovery rate within a reasonable time period. The reports should provide a cost-benefit analysis of options and an explanation of the company's position on recycling policies. In addition, reports should list all steps the company took in investigating options for the cost-effective use of recycled materials.

#### Issue #6 - No consulting by auditors

There has been a growing concern by both investors and regulators about the provision by auditors of both audit and non-audit services to their audit clients, and the effects of these services on the independence of the audit process. The provision of certain non-audit services by a company's auditor may impair the auditor's independence and impartiality.

#### Issue #7 – Endorse core ILO principles

The proposals ask companies to endorse core standards promoted by the International Labor Organization (ILO), a multilateral agency affiliated with the United Nations that represents national employer, labor, and government bodies of 174 member states.

#### Issue #8 - Predatory lending prevention

Predatory lending, most often associated with the subprime sector, is a loosely defined term that encompasses any number of unethical and illegal practices inflicted upon unsuspecting borrowers, often causing them financial distress or ruin. Activist shareholders have intensified a campaign for financial corporations to take steps which address predatory lending. The proposals primarily ask that the companies develop a policy to ensure against predatory lending practices and to report to shareholders on the enforcement of such policies.

#### Issue #9 - Report on executive compensation

Institutional investors have expressed interest in ensuring that executive pay levels are linked to corporate performance. In fact, increasing pressure since the late 1980s to tie executive compensation more directly to a company's success is contributing to the surge in executive pay. CEO compensation is now steeped with stocks and options, which have become popular vehicles to more closely align management's interests with shareholders' interests. Shareholder groups are asking boards of directors to study and report on executive compensation, and to consider ways to link compensation to corporate financial, environmental, and social performance.

#### Issue #10 - Report on global warming

Activist shareholders have intensified a campaign for corporations to take steps which address global warming. The typical resolution on global warming asks for a report on (i) what the company is doing in research and/or in action to reduce greenhouse gas emissions, (ii) the financial exposure due to the likely costs of reducing those emissions, and (iii) actions which promote the view that climate change is exaggerated, not real, or that global warming may be beneficial.

#### Issue #11 - Report on Equal Employment Opportunity: glass ceiling

The "glass ceiling" is a metaphorical term referring to the various barriers that may exist in companies to bar women's advancement to senior management positions. The typical resolution asks for a report on policies that address the issue of the glass ceiling.

#### Issue #12 - Report on international lending policies

The effect of international bank lending in developing nations has become an increasing concern for shareholders. Proponents concerned about poverty and debt in developing countries are submitting resolutions relating to commercial bank operations and services. The concern is that people in developing countries have not benefited from the recent increased capital flows to emerging markets. Proposals often ask for the development of a policy toward debt cancellation and provisions for new lending to heavily indebted poor countries or ask companies to develop policies which promote financial stabilization in emerging market economies.

#### Issue #13 - Global labor standards

Concern about conditions in third world factories that supply U.S. corporations has led to a proliferation of shareholder resolutions from a variety of proponents throughout the 1990s. Proxy proposals will ask companies to take measures to ensure their global operations, or those of their suppliers, meet minimum labor and environmental standards. Companies that adopt favorable global labor policies will be less susceptible to negative impacts.

#### Issue #14 - Endorse CERES principles

The principles affirm that corporations have a "responsibility to the environment" and that they "must conduct all aspects of their business as responsible stewards of the environment." There are ten principle statements that address environmental protection and management commitment to the environment. A typical resolution on the environment and CERES principles asks that the company endorse the CERES principles.

Issue #15 - Report on Equal Employment Opportunity
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The shareholder resolutions generally ask companies to make available information that is gathered for and reported to the Equal Employment Opportunity Commission. The information required includes statistical information in defined job categories, summary information of affirmative action policies, and reports on any material litigation involving race, gender, or the physically challenged.

Issue #16 - Increase and report on board diversity
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The shareholder resolutions relating to Board diversity ask companies to report on the following issues: (a) efforts to encourage diversified representation on the board; (b) criteria for board qualification; (c) process of selecting board nominees; and (d) commitment to a policy of board inclusiveness.

Issue #17 - Implement MacBride principles
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The MacBride Principles offer a statement of equal opportunity/affirmative action principles for operations in Northern Ireland. These principle statements offer a code of conduct to combat religious discrimination in the Northern Irish workplace.

Issue #18 - Adopt sexual orientation non-discrimination policy
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The shareholder resolutions ask companies to implement a policy that prohibits discrimination against employees on the basis of sexual orientation. A typical resolution would ask a company to adopt and implement a written equal opportunity policy barring discrimination on the basis of sexual orientation.

THE UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS  
2003 Proxy Season Pre-Approved Voting List

Security Description	Mtg Date	Proposal	Policy	Vote
3M	5/13	Redeem or vote on poison pill	CG*	Affirmative
99 CENT ONLY STORES	6/13	Adopt Global Labor Standards	97-1	Affirmative
99 CENT ONLY STORES	6/13	Redeem or vote on poison pill	CG	Affirmative
ALLSTATE	5/20	Redeem or vote on poison pill	CG	Affirmative
ALLTEL	4/24	Sexual orientation non-discrimination policy	78-1	Affirmative
ALTRIA	4/24	Redeem or vote on poison pill	CG	Affirmative
AMERICAN POWER CONVERSION	6/19	Report on board diversity	CG	Affirmative
AOL TIME WARNER	5/16	Adopt labor conduct standards for China	97-1	Affirmative
AOL TIME WARNER	5/16	Review executive compensation	CG	Affirmative
AVON PRODUCTS	5/1	Report on parabens in products	74-3	Affirmative
AVON PRODUCTS	5/1	Report on phthalates	74-3	Affirmative
BANK OF AMERICA CORP	4/30	Limit consulting by auditors	CG	Affirmative
BANK OF AMERICA CORP	4/30	Redeem or vote on poison pill	CG	Affirmative
BED BATH & BEYOND CO	6/1	Report on Equal Opportunity	78-1	Affirmative
BJ SERVICES	1/22	Report on board diversity	CG	Affirmative
BRISTOL-MEYERS SQUIBB	5/6	Redeem or vote on poison pill	CG	Affirmative
BRISTOL-MEYERS SQUIBB	5/6	Review executive compensation	CG	Affirmative
BURLINGTON NORTHERN CO	4/16	Redeem or vote on poison pill	CG	Affirmative
BURLINGTON NORTHERN CO	4/16	Redeem or vote on poison pill	CG	Affirmative
CHEVRON TEXACO CORP	5/22	Adopt comprehensive human rights policy	97-1	Affirmative
CHEVRON TEXACO CORP	5/22	Redeem or vote on poison pill	CG	Affirmative
CHEVRON TEXACO CORP	5/22	Review executive compensation	CG	Affirmative
CITIGROUP	4/15	Redeem or vote on poison pill	CG	Affirmative
CITIGROUP	4/15	Review Financial Ventures Impact on Climate	74-3	Affirmative
CITIGROUP	4/15	Review Social Criteria in ventures	97-1	Affirmative
CITIGROUP	4/15	Vote on future golden parachutes	CG	Affirmative
CMS ENERGY	5/23	Report on internal investigation	97-1	Affirmative
COCA COLA ENTERPRISES	4/16	Adopt Code of Conduct for China Operations	97-1	Affirmative
COCA COLA ENTERPRISES	4/16	Adopt ILO Global Labor Standards	97-1	Affirmative
COCA COLA ENTERPRISES	4/16	Drop sexual orientation from EEO policy	78-1	Affirmative
COCA COLA ENTERPRISES	4/16	Enforce ILO Standards in Columbia	97-1	Affirmative
COCA COLA ENTERPRISES	4/16	Increase container recycling content	74-3	Affirmative
CON AGRA FOODS	9/1	Redeem or vote on poison pill	CG	Affirmative
CONOCO PHILIPS	5/6	Adopt sexual orientation non-discrimination policy	78-1	Affirmative
CONOCO PHILIPS	5/6	Redeem or vote on poison pill	CG	Affirmative
CONOCO PHILIPS	5/6	Report on Greenhouse Gas Emissions	74-3	Affirmative
CONTINENTAL AIRLINES	5/14	Redeem or vote on poison pill	CG	Affirmative
CSX CORP	5/7	Redeem or vote on poison pill	CG	Affirmative
DELTA AIRLINES	4/25	Limit consulting by auditors	CG	Affirmative
DELTA AIRLINES	4/25	Vote on future golden parachutes	CG	Affirmative
DOW CHEMICAL	5/8	Redeem or vote on poison pill	CG	Affirmative
EMC CORP	5/7	Review executive compensation	CG	Affirmative
EXXON MOBIL CORP	5/28	Limit consulting by auditors	CG	Affirmative
EXXON MOBIL CORP	5/28	No director on both audit and finance committees	CG	Affirmative
EXXON MOBIL CORP	5/28	Redeem or vote on poison pill	CG	Affirmative
EXXON MOBIL CORP	5/28	Report on board diversity	78-1	Affirmative
EXXON MOBIL CORP	5/28	Report on environmental, human rights impacts	78-1	Affirmative
EXXON MOBIL CORP	5/28	Report on global climate change	74-3	Affirmative
EXXON MOBIL CORP	5/28	Report on human rights policy	97-1	Affirmative
EXXON MOBIL CORP	5/28	Sexual orientation non-discrimination policy	78-1	Affirmative
FEDERATED DEPT STORES	5/16	Adopt ILO Global Labor Standards	97-1	Affirmative
FEDERATED DEPT STORES	5/16	Report on steps against child labor	97-1	Affirmative
FEDEX	9/1	Sexual orientation non-discrimination policy	78-1	Affirmative
FIRST ENERGY	5/20	Redeem or vote on poison pill	CG	Affirmative
FORTUNE BRANDS INC	4/29	Redeem or vote on poison pill	CG	Affirmative
GENERAL ELEC CO	4/23	Implement ILO Global Labor Standards	97-1	Affirmative

THE UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS  
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GENERAL ELEC CO	4/23	Redeem or vote on poison pill	CG	Affirmative
GENERAL ELEC CO	4/23	Report on costs of PCB cleanup delay	74-3	Affirmative
GENERAL ELEC CO	4/23	Report on Greenhouse Gas Emissions	74-3	Affirmative
GENERAL ELEC CO	4/23	Report on retirement agreements	CG	Affirmative
GENERAL ELEC CO	4/23	Report on waste storage at nuclear plant	74-3	Affirmative
GENERAL ELEC CO	4/23	Review executive compensation	CG	Affirmative
GENERAL ELEC CO	4/23	Take steps to eliminate workplace discrimination	78-1	Affirmative
GENERAL ELEC CO	4/23	Vote on future golden parachutes	CG	Affirmative
GENERAL MOTORS CORP	6/3	Limit consulting by auditors	CG	Affirmative
GENERAL MOTORS CORP	6/3	No consultanting by accountant's spin-off	CG	Affirmative
GENERAL MOTORS CORP	6/3	Redeem or vote on poison pill	CG	Affirmative
GENERAL MOTORS CORP	6/3	Report on Greenhouse Gas Emissions	74-3	Affirmative
HARTFORD FINANCIAL SVCS	4/17	Limit consulting by auditors	CG	Affirmative
HCA	5/22	Review executive compensation	CG	Affirmative
HEWLETT PACKARD CO	4/12	Adopt Code of Conduct for China Operations	74-3	Affirmative
HEWLETT PACKARD CO	4/12	Limit consulting by auditors	CG	Affirmative
HEWLETT PACKARD CO	4/12	Redeem or vote on poison pill	CG	Affirmative
HEWLETT PACKARD CO	4/12	Vote on future golden parachutes	CG	Affirmative
HOME DEPOT INC	5/30	Endorse Ceres Principles	74-3	Affirmative
HOME DEPOT INC	5/30	Implement ILO Global Labor Standards	97-1	Affirmative
HOME DEPOT INC	5/30	No consulting by auditors	CG	Affirmative
HOME DEPOT INC	5/30	Redeem or vote on poison pill	CG	Affirmative
IBM CORP	4/30	Disclose executive compensation	CG	Affirmative
IBM CORP	4/30	Redeem or vote on poison pill	CG	Affirmative
ILLINOIS TOOL WORKS	5/9	Report on Equal Employment Opportunity	78-1	Affirmative
INTEL CORP	5/21	Vote on all stock-based compensation plans	CG	Affirmative
INTEL CORP	5/21	Vote on future golden parachutes	CG	Affirmative
INTERPUBLIC GROUP	5/20	Implement McBride Principles	78-1	Affirmative
JOHNSON AND JOHNSON	4/24	Report on payments to influence drug choice	97-1	Affirmative
JOHNSON AND JOHNSON	4/24	Report on steps to break glass ceiling	78-1	Affirmative
JP MORGAN CHASE	5/20	Disclose executive compensation	CG	Affirmative
JP MORGAN CHASE	5/20	Redeem or vote on poison pill	CG	Affirmative
JP MORGAN CHASE	5/20	Review executive compensation	CG	Affirmative
KIMBERLY CLARK CORP	4/24	Redeem or vote on poison pill	CG	Affirmative
LOWES CO	5/30	Implement ILO Global Labor Standards	97-1	Affirmative
LOWES CO	5/30	Redeem or vote on poison pill	CG	Affirmative
MATTEL	5/14	Redeem or vote on poison pill	CG	Affirmative
MATTEL	5/14	Report on implementation of global principles	97-1	Affirmative
MBNA CORP	5/1	Adopt sexual orientation non-discrimination policy	78-1	Affirmative
MCGRAW HILL	4/30	Redeem or vote on poison pill	CG	Affirmative
MERCK & CO	4/24	Develop ethical criteria for patent extension	97-1	Affirmative
MERCK & CO	4/24	Improve and Report on R&D standards	97-1	Affirmative
MERCK & CO	4/22	Report on EEO and Glass Ceiling	78-1	Affirmative
MOODYS	4/22	Redeem or vote on poison pill	CG	Affirmative
NORTHROP GRUMMAN CORP	5/21	Redeem or vote on poison pill	CG	Affirmative
OCCIDENTAL PETROLEUM	4/25	Redeem or vote on poison pill	CG	Affirmative
OCCIDENTAL PETROLEUM	4/25	Report on Greenhouse Gas Emissions	74-3	Affirmative
ORACLE	10/1	Adopt labor conduct standards for China	74-3	Affirmative
PEPSICO INC	5/1	Report on water use	74-3	Affirmative
PFIZER INC	4/24	Report on payments to influence drug choice	97-1	Affirmative
PFIZER INC	4/24	Review executive compensation	CG	Affirmative
PITNEY BOWES INC	5/12	Redeem or vote on poison pill	CG	Affirmative
PRAXAIR	4/22	Redeem or vote on poison pill	CG	Affirmative
SAFEWAY	5/15	Redeem or vote on poison pill	CG	Affirmative
SBC COMMUNICATIONS INC	4/25	Redeem or vote on poison pill	CG	Affirmative
STARBUCKS	5/25	Label genetically engineered food	97-1	Affirmative
TJX	6/3	Implement ILO Global Labor Standards	97-1	Affirmative
TJX	6/3	Implement McBride Principles	78-1	Affirmative



THE UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS  
2003 Proxy Season Pre-Approved Voting List

TYCO INTERNATIONAL	5/6	Limit consulting by auditors	CG	Affirmative
TYCO INTERNATIONAL	5/6	Vote on future golden parachutes	CG	Affirmative
UNITED TECHNOLOGIES CORP	4/9	Disclose executive compensation	CG	Affirmative
UNITED TECHNOLOGIES CORP	4/9	Limit consulting by auditors	CG	Affirmative
UNITED TECHNOLOGIES CORP	4/9	Report on Greenhouse Gas Emissions	74-3	Affirmative
UNITED TECHNOLOGIES CORP	4/9	Vote on future golden parachutes	CG	Affirmative
VERIZON COMMUNICATIONS	4/23	Limit consulting by auditors	CG	Affirmative
VERIZON COMMUNICATIONS	4/23	Redeem or vote on poison pill	CG	Affirmative
VERIZON COMMUNICATIONS	4/23	Review executive compensation	CG	Affirmative
VERIZON COMMUNICATIONS	4/23	Vote on future golden parachutes	CG	Affirmative
WAL MART STORES INC	6/6	Equal Opportunity Reporting	78-1	Affirmative
WAL MART STORES INC	6/6	Implement ILO Global Labor Standards	97-1	Affirmative
WAL MART STORES INC	6/6	Limit consulting by auditors	CG	Affirmative
WAL MART STORES INC	6/6	Report on EEO and Glass Ceiling	78-1	Affirmative
WYETH	4/24	Redeem or vote on poison pill	CG	Affirmative
ZIMMER HOLDINGS	5/13	Redeem or vote on poison pill	CG	Affirmative

\* CG designation represents non-routine Corporate Governance proposals

THE UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS  
2003 Proxy Season New Proposal List

Security Description	Mtg Date	Proposal	Policy	Vote
BRISTOL-MEYERS SQUIBB	5/16	Respond to health pandemic in Africa	97-1	Affirmative
CHEVRON TEXACO CORP	5/22	Report on health pandemic in Africa	97-1	Affirmative
EXXON MOBIL CORP	5/28	Report on health pandemic in Africa	97-1	Affirmative
PEPSICO INC	5/15	Respond to health pandemic in Africa	97-1	Affirmative

## **OFFICE OF OPERATIONS REVIEW AND AUDIT**

### **Major Projects in Progress: May 2003**

#### **EXECUTIVE SUMMARY**

##### **BACKGROUND**

The Office of Operations Review and Audit is responsible for providing objective review and analysis to assure that University programs, policies, and practices are conducted in accordance with state law and Board of Regents policy. Specific responsibilities include: reviewing the status of Board of Regents policy implementation; reviewing the effectiveness with which state or federal legislative requirements have been implemented; and conducting research and analysis in selected operational areas. The Office also helps coordinate activities of campus-based internal auditors, offering periodic planning and training opportunities. The Office's reports are submitted to the Executive Committee of the Board of Regents and presented to the Board's standing committees.

##### **REQUESTED ACTION**

For Information Only.

##### **DISCUSSION**

The major program reviews being conducted by the Office of Operations Review and Audit have a mix of objectives covering financial, compliance, best practices, and program issues. However, their common thread is identifying ways to improve our processes and the ways we deliver services, which ultimately should reduce our operating costs. Among the projects in progress are reviews of employee health and safety training, residence halls occupancy and safety policies, and capital financing. The reports generally outline current practices, identify alternatives, and make recommendations to UW System Administration and UW institutions. In some cases, the reports recommend changes to Board policy.

The list of major projects does not identify all of the reviews being conducted by the Office. We provide assistance to other UW System offices on special projects and respond to UW institutions' requests for assistance in reviewing personnel and other sensitive issues. We also conduct financial/compliance audits for outside users, such as NCAA audits at UW-Green Bay and UW-Milwaukee and the Corporation for Public Broadcasting audit at UW-Milwaukee.

The Office is currently working on two reviews that will provide assistance to the Board for the upcoming long range study. The goal of the reviews is to identify how state monies (GPR) and tuition dollars are allocated to institutions statewide and how administrative functions are managed in other comparable systems.

##### **RELATED REGENT POLICIES**

None.

**OFFICE OF OPERATIONS REVIEW AND AUDIT**  
**Major Projects in Progress: May 2003**

1. UW children's centers – A review of the missions and operation of the UW children's centers, including how the centers meet university child care needs while keeping parent fees reasonable. The review also will identify good practices at the UW centers and elsewhere. (Report draft completed.)
2. Health and safety training – A review of UW institutions' efforts to provide staff training that meets the requirements of the Occupational Safety and Health Administration and other federal and state requirements. Training topics include approaches to help employees recognize risks, to protect employees from hazards, or to respond to emergencies. (Report is being drafted.)
3. Student credit card debt – A review of studies related to student credit card debt, policies on credit card solicitation at UW institutions, and UW institutions' efforts to help students manage credit card debt. (Report is being drafted.)
4. Residence halls occupancy, programs, and safety – A review of: (1) the Board of Regents policy that requires certain freshmen and sophomores at former Wisconsin State University institutions to live in university-operated residence halls; (2) residence hall services; and (3) safety practices in residence halls. (Report draft completed.)
5. Student Right to Know and Campus Security Act – A review of how UW institutions meet the requirements of the Act, which requires higher education institutions to distribute certain information about completion and graduation rates, campus security policies, campus crime statistics, and other topics to students and employees. (Report is being drafted.)
6. Capital financing -- An exploration of alternative capital financing strategies as possible supplements to traditional approaches, including using non-profit organizations, lease-purchase arrangements, or a separate authority. The analysis includes "success stories" about alternative sources of funding for capital projects. (Research in progress.)
7. Academic fees – An audit of the adequacy of the academic fee assessment and collection practices at each of the UW System institutions. (Ongoing – completed work at three institutions.)
8. Special course fees – A review of the special fees that UW institutions assess to cover instructional expenses. The review will examine the extent to which institutions rely on the fees, whether proper authorization and student-notification policies are being followed, and how the fees are used. (Research in progress.)

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

<b>FISCAL YEAR 2002-2003</b>	<b>Extension</b>	<b>Instruction</b>	<b>Libraries</b>	<b>Misc</b>	<b>Phy Plt</b>	<b>Research</b>	<b>Student Aid</b>	<b>Total</b>
<b>Total</b>	<b>48,766,071</b>	<b>53,706,747</b>	<b>3,382,001</b>	<b>61,994,451</b>	<b>20,175,847</b>	<b>447,809,922</b>	<b>85,397,798</b>	<b>721,232,837</b>
<b>Federal</b>	<b>23,299,830</b>	<b>23,691,878</b>	<b>195,000</b>	<b>7,015,396</b>	<b>0</b>	<b>315,313,814</b>	<b>73,903,828</b>	<b>443,419,746</b>
<b>Nonfederal</b>	<b>25,466,241</b>	<b>30,014,869</b>	<b>3,187,001</b>	<b>54,979,055</b>	<b>20,175,847</b>	<b>132,496,108</b>	<b>11,493,970</b>	<b>277,813,091</b>
<b>FISCAL YEAR 2001-2002</b>								
<b>Total</b>	<b>54,171,108</b>	<b>42,224,475</b>	<b>569,249</b>	<b>71,402,758</b>	<b>7,135,765</b>	<b>441,360,717</b>	<b>90,444,660</b>	<b>707,308,732</b>
<b>Federal</b>	<b>27,631,540</b>	<b>31,217,254</b>	<b>203,500</b>	<b>12,491,149</b>	<b>602,200</b>	<b>327,263,416</b>	<b>80,815,308</b>	<b>480,224,368</b>
<b>Nonfederal</b>	<b>26,539,568</b>	<b>11,007,221</b>	<b>365,749</b>	<b>58,911,609</b>	<b>6,533,565</b>	<b>114,097,301</b>	<b>9,629,352</b>	<b>227,084,364</b>
<b>INCREASE(DECREASE)</b>								
<b>Total</b>	<b>(5,405,037)</b>	<b>11,482,272</b>	<b>2,812,752</b>	<b>(9,408,307)</b>	<b>13,040,082</b>	<b>6,449,205</b>	<b>(5,046,862)</b>	<b>13,924,105</b>
<b>Federal</b>	<b>(4,331,710)</b>	<b>(7,525,376)</b>	<b>(8,500)</b>	<b>(5,475,753)</b>	<b>(602,200)</b>	<b>(11,949,602)</b>	<b>(6,911,480)</b>	<b>(36,804,622)</b>
<b>Nonfederal</b>	<b>(1,073,327)</b>	<b>19,007,648</b>	<b>2,821,252</b>	<b>(3,932,554)</b>	<b>13,642,282</b>	<b>18,398,808</b>	<b>1,864,617</b>	<b>50,728,727</b>

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

	Extension	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
<b>FISCAL YEAR 2002-2003</b>								
Madison	14,918,095	40,220,763	3,280,101	48,782,130	20,136,072	429,432,047	25,272,818	582,042,026
Milwaukee	962,224	7,183,963	0	2,536,378	0	10,161,342	8,543,038	29,386,945
Eau Claire	608,756	2,356,573	0	0	0	1,021,202	6,825,660	10,812,191
Green Bay	6,000	1,478,591	98,500	168,433	30,775	1,059,951	2,276,998	5,119,248
La Crosse	2,678,507	314,055	0	1,852,001	4,000	3,293,725	4,916,965	13,059,253
Oshkosh	0	413,663	0	0	0	699,421	0	1,113,084
Parkside	0	0	0	8,669	0	525	310	9,504
Platteville	550,120	12,972	0	161,949	0	0	4,214,023	4,939,064
River Falls	537,356	166,266	0	1,437,161	0	60,361	4,060,590	6,261,734
Stevens Point	3,481,137	605,795	650	385,726	5,000	804,094	6,824,288	12,106,690
Stout	2,279,650	182,268	0	1,032,977	0	931,500	9,378,282	13,804,676
Superior	52,683	0	0	751,707	0	258,866	1,395,536	2,458,792
Whitewater	0	(300)	0	135,069	0	1,600	2,277,826	2,414,196
Colleges	10,469	26,694	2,750	169,490	0	12,000	9,336,463	9,557,866
Extension	22,681,074	0	0	1,184,083	0	0	0	23,865,157
System-Wide	0	745,444	0	3,388,678	0	73,288	75,000	4,282,410
<b>Totals</b>	<b>48,766,071</b>	<b>53,706,747</b>	<b>3,382,001</b>	<b>61,994,451</b>	<b>20,175,847</b>	<b>447,809,922</b>	<b>85,397,798</b>	<b>721,232,837</b>
Madison	10,534,397	11,473,112	195,000	2,668,457	0	301,328,198	17,178,594	343,377,758
Milwaukee	157,925	6,924,601	0	375,452	0	8,390,238	8,372,070	24,220,286
Eau Claire	552,651	2,356,573	0	0	0	960,415	6,825,660	10,695,299
Green Bay	0	1,400,225	0	0	0	792,464	2,077,869	4,270,558
La Crosse	2,257,981	314,055	0	1,192,493	0	2,570,905	4,916,965	11,252,399
Oshkosh	81,939	31,500	0	0	0	148,706	0	262,145
Parkside	0	0	0	0	0	0	0	0
Platteville	304,489	0	0	0	0	0	4,214,023	4,518,512
River Falls	476,496	99,973	0	814,930	0	0	3,954,562	5,345,961
Stevens Point	1,881,492	275,805	0	263,695	0	154,645	6,824,288	9,399,925
Stout	1,727,210	70,590	0	840,041	0	830,000	9,378,282	12,846,123
Superior	29,308	0	0	751,707	0	86,643	1,395,536	2,263,194
Whitewater	0	0	0	104,872	0	1,600	2,057,081	2,163,553
Colleges	0	0	0	3,750	0	0	6,708,898	6,712,648
Extension	5,295,942	0	0	0	0	0	0	5,295,942
System-Wide	0	745,444	0	0	0	50,000	0	795,444
<b>Federal Totals</b>	<b>23,299,830</b>	<b>23,691,878</b>	<b>195,000</b>	<b>7,015,396</b>	<b>0</b>	<b>315,313,814</b>	<b>73,903,828</b>	<b>443,419,746</b>
Madison	4,383,698	28,747,651	3,085,101	46,113,673	20,136,072	128,103,849	8,094,224	238,664,268
Milwaukee	804,299	259,362	0	2,160,927	0	1,771,104	170,968	5,166,660
Eau Claire	56,105	0	0	0	0	60,787	0	116,892
Green Bay	6,000	78,366	98,500	168,433	30,775	267,487	199,129	848,690
La Crosse	420,526	0	0	659,508	4,000	722,820	0	1,806,854
Oshkosh	(81,939)	382,163	0	0	0	550,715	0	850,939
Parkside	0	0	0	8,669	0	525	310	9,504
Platteville	245,631	12,972	0	161,949	0	0	0	420,552
River Falls	60,860	66,293	0	622,231	0	60,361	106,028	915,773
Stevens Point	1,599,645	329,990	650	122,031	5,000	649,449	0	2,706,765
Stout	552,440	111,678	0	192,936	0	101,500	0	958,554
Superior	23,375	0	0	0	0	172,223	0	195,598
Whitewater	0	(300)	0	30,197	0	0	220,745	250,642
Colleges	10,469	26,694	2,750	165,740	0	12,000	2,627,565	2,845,218
Extension	17,385,132	0	0	1,184,083	0	0	0	18,569,215
System-Wide	0	0	0	3,388,678	0	23,288	75,000	3,486,966
<b>Nonfederal Totals</b>	<b>25,466,241</b>	<b>30,014,869</b>	<b>3,187,001</b>	<b>54,979,055</b>	<b>20,175,847</b>	<b>132,496,108</b>	<b>11,493,970</b>	<b>277,813,091</b>

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

	Extension	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
<b>FISCAL YEAR 2001-2002</b>								
Madison	14,949,674	16,858,116	486,020	59,704,159	5,857,619	419,785,491	23,402,901	541,043,980
Milwaukee	1,106,085	11,877,060	7,144	1,882,370	0	13,093,571	11,463,496	39,429,726
Eau Claire	1,072,706	2,060,701	0	0	0	528,184	6,373,046	10,034,637
Green Bay	5,000	993,099	36,000	255,133	619,221	755,991	3,393,846	6,058,290
La Crosse	2,077,748	714,558	0	976,892	597,627	2,863,417	4,065,310	11,295,552
Oshkosh	4,147,266	6,145,193	0	0	0	393,091	2,919,909	13,605,459
Parkside	227,411	230,656	0	132,615	0	561,711	3,639,164	4,791,557
Platteville	293,882	78,980	4,725	485,278	0	0	3,840,605	4,703,469
River Falls	166,260	127,368	0	1,408,989	0	86,671	2,189,347	3,978,635
Stevens Point	2,969,479	545,118	0	25,166	0	1,881,165	6,354,201	11,775,129
Stout	1,902,206	110,262	0	1,050,723	0	950,517	5,851,804	9,865,511
Superior	80,478	0	5,000	683,911	0	203,228	5,161,804	6,134,421
Whitewater	0	40,784	0	3,098,426	61,298	257,680	5,353,322	8,811,509
Colleges	159,375	574,017	30,360	413,185	0	0	6,435,906	7,612,843
Extension	25,013,538	0	0	1,011,378	0	0	0	26,024,916
System-Wide	0	1,868,563	0	274,534	0	0	0	2,143,097
<b>Totals</b>	<b>54,171,108</b>	<b>42,224,475</b>	<b>569,249</b>	<b>71,402,758</b>	<b>7,135,765</b>	<b>441,360,717</b>	<b>90,444,660</b>	<b>707,308,732</b>
Madison	8,538,770	8,184,059	203,500	5,492,748	602,200	310,206,554	15,067,335	348,295,166
Milwaukee	359,141	11,242,243	0	444,383	0	10,244,483	11,137,925	33,428,175
Eau Claire	980,858	1,579,887	0	0	0	395,341	6,373,046	9,329,132
Green Bay	0	892,849	0	40,978	0	667,043	3,216,264	4,817,134
La Crosse	1,867,619	714,558	0	808,721	0	2,237,616	4,065,310	9,693,824
Oshkosh	2,881,449	5,730,957	0	0	0	286,441	2,993,160	11,892,007
Parkside	177,136	95,602	0	111,750	0	537,489	3,558,809	4,480,786
Platteville	155,096	62,480	0	287,416	0	0	3,840,605	4,345,597
River Falls	53,028	99,844	0	1,160,381	0	4,946	2,112,192	3,430,391
Stevens Point	1,875,232	257,865	0	8,803	0	1,368,278	6,353,201	9,863,379
Stout	1,713,315	74,754	0	838,057	0	922,193	5,851,804	9,400,123
Superior	80,478	0	0	683,911	0	152,459	5,161,804	6,078,652
Whitewater	0	0	0	2,523,296	0	240,573	5,063,353	7,827,222
Colleges	152,000	487,423	0	90,705	0	0	6,020,501	6,750,629
Extension	8,797,418	0	0	0	0	0	0	8,797,418
System-Wide	0	1,794,733	0	0	0	0	0	1,794,733
<b>Federal Totals</b>	<b>27,631,540</b>	<b>31,217,254</b>	<b>203,500</b>	<b>12,491,149</b>	<b>602,200</b>	<b>327,263,416</b>	<b>80,815,308</b>	<b>480,224,368</b>
Madison	6,410,904	8,674,057	282,520	54,211,411	5,255,419	109,578,937	8,335,566	192,748,814
Milwaukee	746,944	634,817	7,144	1,437,987	0	2,849,088	325,571	6,001,552
Eau Claire	91,848	480,814	0	0	0	132,843	0	705,505
Green Bay	5,000	100,250	36,000	214,155	619,221	88,948	177,582	1,241,156
La Crosse	210,129	0	0	168,171	597,627	625,801	0	1,601,728
Oshkosh	1,265,817	414,236	0	0	0	106,650	(73,251)	1,713,452
Parkside	50,275	135,054	0	20,865	0	24,222	80,355	310,771
Platteville	138,786	16,500	4,725	197,862	0	0	0	357,872
River Falls	113,232	27,524	0	248,608	0	81,725	77,155	548,244
Stevens Point	1,094,247	287,253	0	16,363	0	512,887	1,000	1,911,750
Stout	188,891	35,508	0	212,666	0	28,324	0	465,388
Superior	0	0	5,000	0	0	50,769	0	55,769
Whitewater	0	40,784	0	575,130	61,298	17,107	289,969	984,287
Colleges	7,375	86,594	30,360	322,480	0	0	415,405	862,214
Extension	16,216,120	0	0	1,011,378	0	0	0	17,227,498
System-Wide	0	73,830	0	274,534	0	0	0	348,364
<b>Nonfederal Totals</b>	<b>26,539,568</b>	<b>11,007,221</b>	<b>365,749</b>	<b>58,911,609</b>	<b>6,533,565</b>	<b>114,097,301</b>	<b>9,629,352</b>	<b>227,084,364</b>

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

	Extension	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
<b>INCREASE (DECREASE)</b>								
Madison	(31,579)	23,362,647	2,794,081	(10,922,029)	14,278,453	9,646,556	1,869,917	40,998,046
Milwaukee	(143,861)	(4,693,097)	(7,144)	654,008	0	(2,932,229)	(2,920,458)	(10,042,780)
Eau Claire	(463,950)	295,872	0	0	0	493,018	452,614	777,554
Green Bay	1,000	485,492	62,500	(86,700)	(588,446)	303,960	(1,116,848)	(939,041)
La Crosse	600,759	(400,503)	0	875,109	(593,627)	430,308	851,655	1,763,701
Oshkosh	(4,147,266)	(5,731,531)	0	0	0	306,330	(2,919,909)	(12,492,376)
Parkside	(227,411)	(230,656)	0	(123,946)	0	(561,186)	(3,638,854)	(4,782,053)
Platteville	256,238	(66,008)	(4,725)	(323,329)	0	0	373,418	235,595
River Falls	371,096	38,898	0	28,172	0	(26,310)	1,871,243	2,283,099
Stevens Point	511,658	60,677	650	360,560	5,000	(1,077,071)	470,087	331,561
Stout	377,444	72,006	0	(17,746)	0	(19,017)	3,526,478	3,939,166
Superior	(27,795)	0	(5,000)	67,796	0	55,638	(3,766,268)	(3,675,629)
Whitewater	0	(41,084)	0	(2,963,356)	(61,298)	(256,080)	(3,075,496)	(6,397,314)
Colleges	(148,906)	(547,323)	(27,610)	(243,695)	0	12,000	2,900,557	1,945,023
Extension	(2,332,464)	0	0	172,705	0	0	0	(2,159,759)
System-Wide	0	(1,123,119)	0	3,114,144	0	73,288	75,000	2,139,313
<b>Totals</b>	<b>(5,405,037)</b>	<b>11,482,272</b>	<b>2,812,752</b>	<b>(9,408,307)</b>	<b>13,040,082</b>	<b>6,449,205</b>	<b>(5,046,863)</b>	<b>13,924,105</b>
Madison	1,995,627	3,289,053	(8,500)	(2,824,291)	(602,200)	(8,878,356)	2,111,259	(4,917,408)
Milwaukee	(201,216)	(4,317,642)	0	(68,932)	0	(1,854,245)	(2,765,855)	(9,207,889)
Eau Claire	(428,207)	776,686	0	0	0	565,074	452,614	1,366,167
Green Bay	0	507,376	0	(40,978)	0	125,421	(1,138,395)	(546,576)
La Crosse	390,362	(400,503)	0	383,772	0	333,289	851,655	1,558,575
Oshkosh	(2,799,510)	(5,699,457)	0	0	0	(137,735)	(2,993,160)	(11,629,862)
Parkside	(177,136)	(95,602)	0	(111,750)	0	(537,489)	(3,558,809)	(4,480,786)
Platteville	149,393	(62,480)	0	(287,416)	0	0	373,418	172,915
River Falls	423,468	129	0	(345,451)	0	(4,946)	1,842,370	1,915,570
Stevens Point	6,260	17,940	0	254,892	0	(1,213,633)	471,087	(463,454)
Stout	13,895	(4,164)	0	1,984	0	(92,193)	3,526,478	3,446,000
Superior	(51,170)	0	0	67,796	0	(65,816)	(3,766,268)	(3,815,458)
Whitewater	0	0	0	(2,418,424)	0	(238,973)	(3,006,272)	(5,663,669)
Colleges	(152,000)	(487,423)	0	(86,955)	0	0	688,397	(37,981)
Extension	(3,501,476)	0	0	0	0	0	0	(3,501,476)
System-Wide	0	(1,049,289)	0	0	0	50,000	0	(999,289)
<b>Federal Totals</b>	<b>(4,331,710)</b>	<b>(7,525,376)</b>	<b>(8,500)</b>	<b>(5,475,753)</b>	<b>(602,200)</b>	<b>(11,949,602)</b>	<b>(6,911,480)</b>	<b>(36,804,621)</b>
Madison	(2,027,206)	20,073,594	2,802,581	(8,097,738)	14,880,653	18,524,912	(241,342)	45,915,454
Milwaukee	57,355	(375,455)	(7,144)	722,939	0	(1,077,984)	(154,603)	(834,891)
Eau Claire	(35,743)	(480,814)	0	0	0	(72,056)	0	(588,613)
Green Bay	1,000	(21,884)	62,500	(45,722)	(588,446)	178,539	21,547	(392,465)
La Crosse	210,397	0	0	491,337	(593,627)	97,019	0	205,126
Oshkosh	(1,347,756)	(32,074)	0	0	0	444,065	73,251	(862,513)
Parkside	(50,275)	(135,054)	0	(12,196)	0	(23,697)	(80,045)	(301,267)
Platteville	106,845	(3,528)	(4,725)	(35,913)	0	0	0	62,680
River Falls	(52,372)	38,769	0	373,623	0	(21,364)	28,873	367,529
Stevens Point	505,398	42,737	650	105,668	5,000	136,562	(1,000)	795,015
Stout	363,549	76,170	0	(19,730)	0	73,176	0	493,165
Superior	23,375	0	(5,000)	0	0	121,454	0	139,829
Whitewater	0	(41,084)	0	(544,932)	(61,298)	(17,107)	(69,224)	(733,645)
Colleges	3,094	(59,900)	(27,610)	(156,740)	0	12,000	2,212,160	1,983,004
Extension	1,169,012	0	0	172,705	0	0	0	1,341,717
System-Wide	0	(73,830)	0	3,114,144	0	23,288	75,000	3,138,602
<b>Nonfederal Totals</b>	<b>(1,073,327)</b>	<b>19,007,648</b>	<b>2,821,252</b>	<b>(3,932,554)</b>	<b>13,642,282</b>	<b>18,398,808</b>	<b>1,864,617</b>	<b>50,728,727</b>



### I.3. Physical Planning and Funding Committee

Thursday, May 8, 2003  
Legacy Room  
University Center  
UW-Stevens Point

11:00 a.m. All-Regent meeting

- Budget Update
- Online Learning in Wisconsin: Access Through Collaboration

12:00 p.m. Lunch

1:00 p.m. Physical Planning and Funding Committee – Legacy Room, University Center

- a. Approval of Minutes of April 10, 2003 Meeting
- b. Report of the Assistant Vice President
  - Building Commission Actions
  - Update on Building Projects at UW-Green Bay and UW-Whitewater
- x. Additional items which may be presented to the Committee with its approval

Committee adjourns for tour of facilities on UW-Stevens Point campus.

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

May 9, 2003  
University Center, Laird Room  
UW-Stevens Point  
Stevens Point, Wisconsin

9:00 a.m.

1. Calling of the roll
2. Approval of the minutes of the April 10<sup>th</sup> and 11<sup>th</sup> meetings
3. Report of the President of the Board
  - a. Report on the April 24<sup>th</sup> meeting of the Wisconsin Technical College System Board
  - b. Report on the May 7<sup>th</sup> meeting of the Hospital Authority Board
  - c. Additional items that the President of the Board may report or present to the board
4. Report of the President of the System
  - a. UW-Stevens Point presentation: Regional Sustainability: The Economy and the Environment
  - b. Presentation: United Council – Structure and Mission
  - c. Additional items that the President of the System may report or present to the board.
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
  - a. Resolution of appreciation to UW-Stevens Point
9. Communications, petitions, and memorials
10. Additional and unfinished business
11. Recess into closed session to confer with legal counsel, as permitted by s.19.85(1)(g), *Wis. Stats.*, to consider annual evaluations, as permitted by s.19.85(1)(c), *Wis. Stats.*, and to consider extension of a leave of absence, UW-Whitewater, as permitted by 19.85(1)(c) *Wis. Stats.*

The closed session may be conducted during any recess called in the course of the regular meeting agenda. The meeting will be reconvened in open session following completion of the closed session.

## BOARD OF REGENTS

### 2003 Meeting Schedule

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)

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

Unless otherwise indicated, meetings are held in Van Hise Hall, 1220 Linden Drive,  
Madison, Wisconsin

## 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  
Frederic E. Mohs  
Jose A. Olivieri  
Jay L. Smith

#### **Business and Finance Committee**

Jose A. Olivieri (Chair)  
David G. Walsh (Vice Chair)  
Danae D. Davis  
Tommie L. Jones, Jr.

#### **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)  
Gerard A. Randall, Jr (Vice Chair)  
Peggy Rosenzweig  
Jesus Salas

#### **Personnel Matters Review Committee**

Gerard A. Randall, Jr. (Chair)  
Roger E. Axtell  
Jose A. Olivieri  
David G. Walsh

#### **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**

Guy A. Gottschalk

#### **Hospital Authority Board - Regent Members**

Roger E. Axtell  
Patrick G. Boyle  
Frederic E. Mohs

#### **Wisconsin Technical College System Board**

Guy A. Gottschalk, Regent Member

#### **Wisconsin Educational Communications Board**

Patrick G. Boyle, Regent Member

#### **Higher Educational Aids Board**

Gregory L. Gracz, 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**

Jonathan B. Barry (Chair)  
Patrick G. Boyle  
Jose A. Olivieri

#### **Academic Staff Awards Committee**

JoAnne Brandes (Chair)  
Roger E. Axtell  
Jonathan B. Barry  
Tommie L. Jones, Jr.

#### **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.*