

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison

Held in Room 1820 Van Hise Hall

Friday, November 7, 2003

9:00 a.m.

APPROVAL OF THE MINUTES	1
REPORT OF THE PRESIDENT OF THE BOARD.....	1
WELCOME TO ADMINISTRATIVE LEADERSHIP PROGRAM PARTICIPANTS	1
ECONOMIC SUMMIT IV	2
ARTICLES BY CHANCELLOR WILEY AND DEAN VENINGA.....	3
CHARTING A NEW COURSE FOR THE UW SYSTEM.....	3
REPORT OF THE OCTOBER 24 TH MEETING OF THE HIGHER EDUCATIONAL AIDS BOARD.....	3
REPORT OF THE NOVEMBER 5 TH MEETING OF THE HOSPITAL AUTHORITY BOARD	4
RESOLUTION ON ECONOMIC SUMMIT	4
Resolution of Appreciation: Wisconsin Economic Summit IV	4
REPORT ON THE WISCONSIN TECHNICAL COLLEGE SYSTEM.....	5
REPORT OF THE PRESIDENT OF THE SYSTEM.....	5
REMARKS BY CHANCELLOR WILEY	5
BASIC GOALS	7
FALL 2003 ENROLLMENTS.....	7
OPERATING EFFICIENCIES	8
GOOD NEWS	9
<i>UW-River Falls and UW-Parkside Received State Diversity Awards.....</i>	<i>9</i>
<i>UW-Stout Professor and Student Contribute and Learn at NASA</i>	<i>9</i>
<i>UW-Milwaukee Awards</i>	<i>9</i>
<i>Vice President Weimer Elected to be a Trustee at Cedar Crest College</i>	<i>10</i>
<i>UW-River Falls Daycare Center.....</i>	<i>10</i>
<i>Wisconsin Public Television Awarded an Emmy for Community Service.....</i>	<i>10</i>
UPDATE ON CHARTING A NEW COURSE FOR THE UW SYSTEM	10
REVENUE AUTHORITY AND OTHER OPPORTUNITIES WORKING GROUP	11
ACHIEVING OPERATING EFFICIENCIES WORK GROUP	11
RE-DEFINING EDUCATIONAL QUALITY WORKING GROUP	12
RESEARCH AND PUBLIC SERVICE WORKING GROUP.....	13
OUR PARTNERSHIP WITH THE STATE WORKING GROUP.....	14

REPORT OF THE EDUCATION COMMITTEE..... 15

REPORT OF THE SENIOR VICE PRESIDENT FOR ACADEMIC AFFAIRS..... 15

UW System Initiative on the Liberal Arts..... 15

UW System and WTCS Credit Transfer 16

PROGRAM AUTHORIZATION – FIRST READING: B.S. IN ENGINEERING PHYSICS UW-MADISON 16

REPORT ON THE INDUSTRIAL AND ECONOMIC DEVELOPMENT RESEARCH FUND..... 17

REVISED FACULTY PERSONNEL RULES, UW-GREEN BAY 17

 Report on Industrial and Economic Development Research Fund..... 17

 Amendments to Faculty Personnel Policies and Procedures 18

 Endorsement of the UWS/WTCS Plan for Credit Transfer 23

REPORT OF THE PHYSICAL PLANNING AND FUNDING COMMITTEE 24

REPORT OF THE ASSISTANT VICE PRESIDENT 25

Building Commission Actions 25

 UW-Madison: Authority to Construct a Camp Randall and Kohl Center Scoreboards Replacement Project 25

 UW-Madison: Authority to Construct a Camp Randall Stadium Seating Risers and Restroom Maintenance Project 25

 UW-Madison: Authority to Construct a Camp Randall Sports Center Maintenance Project..... 26

 UW-Madison: Authority to Prepare a Utility Master Plan 26

 UW-Madison: Authority to Prepare a Campus Master Plan Update..... 26

 UW-River Falls: Approval of the Design Report and Authority to Construct a Dairy Science Teaching Center..... 26

REPORT OF THE BUSINESS AND FINANCE COMMITTEE 27

COMMITTEE BUSINESS..... 27

Quarterly Gifts, Grants, and Contracts 27

Annual Sick Leave Report..... 27

Annual Broadcast Report..... 28

REPORT OF THE VICE PRESIDENT..... 28

PUBLIC FORUM ON TRUST FUND INVESTMENTS 29

 UW System Trust Funds Acceptance of Bequests 29

 Annual Gifts-In-Kind Report 29

 "Return to Wisconsin" Tuition Pilot Program..... 30

UNFINISHED OR ADDITIONAL BUSINESS 31

 TEN COMMANDMENTS OF LEADERSHIP 31

 ARTICLE BY CHANCELLOR WILEY 31

CLOSED SESSION 31

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- President Marcovich presiding -

PRESENT: Regents Amato, Axtell, Bradley, Burmaster, Connolly-Keesler,
Gottschalk, Marcovich, Mohs, Pruitt, Randall, Richlen, Rosenzweig, Salas
and Walsh

ABSENT: Regents Davis, Gracz and Olivieri

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APPROVAL OF THE MINUTES

Upon motion by Regent Amato, seconded by Regent Mohs, proposed amendments to the minutes of the September 2nd and September 5th meetings were adopted. Those minutes then stood approved as amended, and the minutes of the October 10th meeting stood approved as distributed.

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REPORT OF THE PRESIDENT OF THE BOARD

Welcome to Administrative Leadership Program participants

Regent President Marcovich welcomed 22 members of the UW-Extension Administrative Leadership Program, which serves faculty and academic staff with extension appointments throughout the UW System. Its purpose is to cultivate creativity, critical thinking, problem-solving and long-range vision in the next generation of university leaders. They were observing the regent meetings as part of their charge to learn about the governance of the UW System.

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Economic Summit IV

Stating that the fourth Economic Summit held last month in Milwaukee had been a great success, Regent President Marcovich thanked chancellors and regents for their participation and commended Regent Emeritus Jay Smith, President Lyall, summit coordinator Laurie Dies, Dick Wegner, Jennifer Alexander, and the sponsors and partners for hosting an outstanding meeting.

Among the more than 800 participants were a large number of Wisconsin CEOs and other business leaders, thanks to the work of Summit co-sponsor Fred Kasten, Chair of the Board of R.W. Baird. Representatives of government, labor and education also participated.

Among the important comments heard at the Summit, Regent Marcovich listed the following:

- Governor Jim Doyle referred to the UW System as “one of the jewels of our crown” and as a producer of two of the state’s top commodities – knowledge and graduates – that Wisconsin needs in abundance in order to remain competitive.
- Jeff Bleustein, CEO of Harley Davidson, observed that there is “a lot of reason for optimism” for out-of-state firms to set up businesses in Wisconsin.
- Senate Majority Leader Mary Panzer suggested that reforming state regulations is one thing the Legislature can do to encourage companies to create jobs in Wisconsin.
- Julia Taylor, President of the Greater Milwaukee Committee stated that “regionalism can be a powerful engine for economic growth in Wisconsin.”
- A panel of health care experts warned that, if ignored, “health care costs will severely hamper our ability to care for our citizens, grow our economy and improve the quality of health care.”
- Lieutenant Governor Barbara Lawton stressed that, in addition to creating jobs, economic development is about building a quality of life that includes vibrant educational systems, arts and cultural opportunities, diversity, and increased leadership roles for women.
- Gale Davy, Executive Director of the Wisconsin Association for Biomedical Research and Education, reported that Wisconsin’s 248 bioscience companies generated nearly \$5 billion in sales in 2002.
- John Morgridge, Chair of the Board of Cisco Systems, commented that workforce training is not a one-time task; rather a lifetime of continuing education is required.

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Articles by Chancellor Wiley and Dean Veninga

Saluting the leadership of chancellors and deans who continue to speak out around the state, calling for public support of higher education, Regent President Marcovich commended UW-Madison Chancellor John Wiley for an article he had written for the November issue of *Madison Magazine* and UW-Marathon County Dean Jim Veninga for his remarks in the November 2nd *Wausau Daily Herald*.

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Charting a New Course for the UW System

Regent President Marcovich identified some of the major challenges as:

- Providing adequate financial aid for low income students;
- Keeping public higher education affordable for all citizens without compromising the commitment to quality;
- Streamlining administrative structures even further so that more funding can go straight to the classroom;
- Rebuilding the faculty, not only to provide more quality to the student experience, but also to grow the brain power needed to address local, regional, and state problems.
- Reinvigorating the Wisconsin Idea with new partnerships, more federal support, and a renewed commitment to the citizens of Wisconsin.

Noting that these are issues that will call for full commitment of energy and time over the coming months, Regent President Marcovich expressed agreement with President Lyall that extensive coverage of executive salary ranges, even though no pay raises were given, had distracted attention from these broader issues. He recognized, however, the board's responsibility to secure the best possible faculty, staff and leadership for the UW and to see that all employees are treated fairly. The real story, he commented, is how the university is dealing with the largest cuts in its history and how they can be managed so as to cushion the impact on students as much as possible. In that spirit, he urged moving forward collaboratively, openly and generously, with the only agenda being how to best serve Wisconsin's people by being responsible stewards of the state's public university system.

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Report of the October 24th Meeting of the Higher Educational Aids Board

The board received a written report on the October 24th meeting of the Higher Educational Aids Board.

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Report of the November 5th Meeting of the Hospital Authority Board

A written report of the November 5th meeting of the Hospital Authority Board was provided to the board.

Noting that the UW Hospital became an Authority about eight years ago, Regent Mohs recalled that the Governor at that time was resistant to raising executive salaries, resulting in the hospital's CEO being paid less than half of the going wage and in lack of ability to recruit a chief financial officer for three years. During that time, the hospital foundered financially and lost considerable money. When the Governor relented and approved market salaries, the Hospital was able to recruit an outstanding CEO who recruited an excellent financial officer. Nurses salaries subsequently were raised, employee relations were improved, and the Hospital became a financial success. Regent Mohs hoped that lesson would not be forgotten and that the board would do what is needed with regard to compensation in the not too distant future.

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Resolution on Economic Summit

Regent Axtell presented Resolution 8756 and moved its adoption by the board. The resolution was adopted by acclamation.

Resolution of Appreciation: Wisconsin Economic Summit IV

Resolution 8756 WHEREAS, more than 800 individuals representing business, government, labor and education attended the fourth Wisconsin Economic Summit in Milwaukee on October 27-28, 2003; and

WHEREAS, two prominent University of Wisconsin System alumnae—John P. Morgridge, chairman of the board of Cisco Systems and Wisconsin Governor Jim Doyle—delivered stimulating keynote addresses on the Wisconsin economy and the value of the University of Wisconsin System; and

WHEREAS, two dozen workshops were presented on pivotal economic development topics such as entrepreneurship, risk capital, innovation, infrastructure, intellectual property and regulatory reform, among others; and

WHEREAS, two distinguished workgroups comprised of more than 50 experts in their respective fields spent five months preparing thoughtful white papers on the important topics of regional economic development and rising health care costs; and

WHEREAS, the Wisconsin Economic Summit once again distinguished itself as the most important statewide conversation on positive, collaborative ways to grow the state's economy;

THEREFORE BE IT RESOLVED that the Board of Regents of the University of Wisconsin System salutes all who contributed to hosting and sponsoring this highly successful event, including the members of the President's staff, in particular Summit Coordinator Laurie Dies, the UW-Milwaukee School of Continuing Education, Richard Wegner and Jennifer Alexander

BE IT FURTHER RESOLVED that the Board of Regents expresses its special thanks to UW System President Katharine Lyall, Regent Emeritus Jay Smith and R. W. Baird Board Chair Fred Kasten for their outstanding leadership in both convening the Wisconsin Economic Summit and in keeping the UW System focused on economic development and the future of the state's economy.

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Report on the Wisconsin Technical College System

The board received a written report on the Wisconsin Technical College System.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Remarks by Chancellor Wiley

Referring to an article he wrote for *Madison Magazine*, Chancellor Wiley explained that the main point was to show where the university is headed in the future as a result of the cumulative effect of budget cuts partially offset by large tuition increases.

With regard to UW-Madison's budget, he referred to a pie chart showing that the largest component is 26.8% from federal funds; next is gifts and grants at 19.3%, followed by auxiliary funds at 15.7%, tuition at 15.2%, GPR at 14.9%, special purpose revenue at 6.1%, and all other funds at 2%. Tuition plus state funds comprise only 35% of the budget. The university currently is managing a \$24 million base budget reduction.

Turning to good news, the Chancellor reported that a Capital Campaign had been announced with a goal of \$1.5 billion over a six-year period and that after three years \$750 million was in hand. He expressed confidence that the goal not only will be met, but exceeded.

He provided the regents with a brief summary of the campus strategic plan, five major priorities of which are to promote research, advance learning, amplify the Wisconsin Idea, accelerate internationalization, and nurture human resources. The data provided information about new freshmen, time to degree and trends, graduation rates and trends, residential learning communities, freshmen interest groups, research volume, patenting and licensing activity, research park growth, diversity on campus, professional development of faculty/staff, and study abroad data.

The development on campus that had received the most attention in recent years was isolation of human embryonic stem cells by Professor James Thomson, for which he recently received the Christopher Columbus Award from Congress. A subsidiary corporation called WiCell has distributed stem cells to 140 labs around the world. While three other organizations also distribute cells, WiCell maintains a commanding lead. A training center in the research park trains up to 12 people a month in the use of stem cells, and more than 100 scientists from around the world already have been trained there. The center has fostered a number of collaborations with other UW institutions, including an exciting project developed by Professor Thomson and a professor from UW-River Falls.

Chancellor Wiley then noted accomplishments by WiSys, a subsidiary of WARF, which was formed to receive disclosures, patent them when possible and license the patents for UW institutions other than UW-Madison. With more than 60 disclosures received so far from across the system, WiSys is moving ahead even faster than expected.

The Chancellor then described some characteristics of UW-Madison's new freshman class. More than 51% of them received an award or special recognition for leadership while in high school; over 30% participated in statewide music contests; more than 130 appeared on radio or TV as a performer, about 120 have had their creative writing published in a book or magazine; more than 450 have won prizes or awards for scientific work; more than 27% have volunteered in a hospital, clinic or home; 22% received awards or other recognition for community service; more than 75% have held regular part-time jobs and almost 20% of those supervised the work of others; and 64% received letters as varsity athletes.

The top feeder high schools in terms of numbers of new freshmen were: Madison Memorial, Middleton, Madison West, Homestead, Brookfield East, Nicolet, Brookfield Central, Verona, Stevens Point, and Wausau East. The top feeder counties were: Dane, Milwaukee, Waukesha, Cook, Brown, Hennepin, Outagamie, Ozaukee, and Winnebago.

Of the new freshmen, 80% were expected to graduate without taking time off. Average time to degree is 4.16 years, including both four and five-year programs. Taken separately, students in four-year programs generally graduate in four years and students in five-year programs generally graduate in five.

With regard to the capital campaign, Regent Marcovich observed that he knew of no private benefactors who intended their gifts to be anything but an enhancement of educational service and not a replacement for state funding.

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Basic Goals

President Lyall concluded her report by noting a number of basic goals and the importance of finding ways to move forward in supporting them. One of these is stewardship of the UW System as one of the state's most important assets and the importance of sustaining its quality and maintaining its focus on preparing students for success in life and work. Another is statewide economic development and employment of the UW's intellectual capital of faculty and laboratories to help businesses and foster new companies that can generate jobs in Wisconsin, relieve human suffering, treat diseases, and protect the environment.

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Fall 2003 Enrollments

President Lyall reported that this fall there are 161,000 students enrolled throughout the UW System. This is about 300 more than last year, even though there are 325 fewer faculty and staff and \$100 million less in the instructional budget.

Noting that overall enrollments are .5% above the system-wide target, she commended the efforts that have been made to maintain access and meet the needs of the state's students. It now will be necessary, she cautioned, to monitor the impacts on educational quality and find ways to cushion them where possible. Demand for admission to the UW continues to grow, reflecting both the difficult job market and the rising return of a college degree in lifetime earnings.

Across the system, the freshman class has the highest average ACT scores and high school class ranks of any class since merger and includes record numbers of transfer students from the Technical Colleges and from the UW Colleges. Under-represented minority and disadvantaged students constitute 8.8% of the entering class, moving the student population closer to the representation of people of color in the overall population.

She also was pleased to note that more than 84% of last year's freshmen have returned to a UW campus – the highest ever retention rate for sophomore students.

Having the best entering class ever, President Lyall said, the goal is to give them the best education ever. The challenges campuses face in doing this with fewer faculty, staff and instructional dollars are significant, and call for incentives, ingenuity and inspiration. Ideas being discussed by the working groups are helpful in moving in that direction.

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Operating Efficiencies

President Lyall reported that chancellors, provosts, deans and System staff are working together to identify and implement operating efficiencies wherever possible so that dollars saved in administrative and business operations can be reprogrammed to alleviate some of the most pressing instructional needs. Noting that the power of the incentive to strengthen classroom instruction should not be underestimated, she added that the disincentive of seeing such savings disappear in further cuts also should not be underestimated.

In the work to identify operating efficiencies, the President continued, some important principles have been recognized:

- Time is money – overlapping or duplicate processing delays the delivery of educational services; for example, reducing the time cycle of six years for a building project to two years could save millions of dollars for the classroom.
- Zero-error is unaffordable. While continually striving for the lowest possible error rate, the cost of zero errors is prohibitive and would cost many times the savings in redundant staff, duplicate signoffs, and other procedures. In that regard, she noted that such redundancy is poor business practice in these lean years and that post-audits catch errors without slowing down business on the front end.
- Institutional mission affects administrative organization. Universities organize to achieve certain missions and to deliver a specific program array; and alumni identify with departments and programs as well as with the overall institution in determining their giving. While reasonable organizational changes and best practices should be adopted to achieve efficiencies, identical organizational structures across all institutions are not desirable or likely to be effective.

To help in this streamlining, President Lyall continued, it is anticipated that the pending LAB audit of administrative costs will furnish useful information by providing benchmark information for peer institutions, by identifying best practices elsewhere that could be beneficial in Wisconsin, and by evaluating regional and national consortia that could help in reducing overhead costs further.

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Good News

President Lyall reported that, at the Marine Corps Logistics Base in Albany, Georgia, the John H. Bradley Clinic was dedicated in honor of Regent Mark Bradley's father who was among the men who raised the flag on Iwo Jima during World War II. Regent Bradley's brother, James, paid a recent visit to Madison to talk about his latest best selling book, *Flyboys*. He also is the author of *Flags of our Fathers*.

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UW-River Falls and UW-Parkside Received State Diversity Awards

President Lyall congratulated UW-River Falls and UW-Parkside for having been recognized in a State Capitol ceremony for their exceptional efforts at increasing diversity on campus. UW-River Falls received the 2003 Education Diversity Award for its integrated combination of programs including pre-college, TRIO Upward Bound, multilingual and career development programs, as well as the McNair Scholars program and new faculty/staff orientation. This integrated approach is designed not only to encourage diverse students to enroll, but to support them academically and personally and to prepare them for success upon graduation.

UW-Parkside received the 2003 Program Merit Award for its efforts to tackle racism not only on campus, but throughout the community by using Diversity Circles, which train leaders in residence halls, prisons, churches and other places. UW-Extension has partnered with UW-Parkside in sponsoring these circles.

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UW-Stout Professor and Student Contribute and Learn at NASA

President Lyall reported that UW-Stout Professor Gary Godfrey recently spent ten weeks at NASA as part of its Faculty Fellowship Program. His new computer model will be used to train NASA staff to identify and correct safety problems. The NASA program offers science and engineering faculty hands-on exposure to NASA's research challenges, and a UW-Stout graduate student will join Professor Godfrey there this summer for an equally exciting learning experience.

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UW-Milwaukee Awards

President Lyall congratulated UW-Milwaukee for being named by *Milwaukee Magazine* one of the five best places for women to work. She also commended the School of Architecture and Urban Planning for its clean sweep of all design awards in the Midwest schools of architecture design competition this year, besting the University of Michigan, Notre Dame, and the University of Illinois. Noting that UW-Milwaukee graduates are highly sought for their design skills, she indicated that they comprise 10%

of the architects at Skidmore Owings and Merrill, one of the largest architectural firms in the world.

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Vice President Weimer Elected to be a Trustee at Cedar Crest College

Vice President Linda Weimer was congratulated by President Lyall for having been elected to serve on the Board of Trustees of her alma mater, Cedar Crest College in Allenton, Pennsylvania.

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UW-River Falls Daycare Center

President Lyall reported that UW-River Falls broke ground recently for its new day care center, which will serve up to 96 children. The center will be funded entirely by a grant from the federal government and by student fees that were voted by the students themselves. It will also serve as a practicum site for elementary education majors and early childhood minors who will supplement regular center staff.

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Wisconsin Public Television Awarded an Emmy for Community Service

Wisconsin Public Television was congratulated by President Lyall for having received an Emmy Award for Community Service for its one-hour documentary called, "No Greater Love," which is a powerful call to action in broadening the public's understanding and acceptance of organ donation and transplants. WPT also set up a Web site that offered the opportunity to chat with organ recipients, donors and experts in the field and produced print materials that were distributed across the country, free of charge, on organ donations and ways to get out the message on the value of the gift of life.

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UPDATE ON CHARTING A NEW COURSE FOR THE UW SYSTEM

Regent Gottschalk, Chair of the Charting a New Course project, reported on the preceding day's working group meetings.

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Revenue Authority and Other Opportunities Working Group

Chaired by Regent Axtell, the meeting began with an update from Senior Vice President Olien on the risk management study. The study will be presented in February at a joint meeting with the Working Group on Operating Efficiencies.

The group then discussed tuition issues with Associate Vice President Freda Harris and Acting Assistant Vice President Andy Richards who noted that nonresident tuition has been priced above the market. It was indicated that there is a need to increase the number of nonresident students, without decreasing access to Wisconsin residents, in order to benefit the state as a whole. Larger numbers of nonresident students will increase the amount of revenue that the UW can use to expand access for residents and potentially will lead to more educated individuals staying and working in Wisconsin after graduation. Other states have picked up on this strategy; and competition for nonresident students is increasing, making it important to act now in order for the UW to gain its share of this student market. Options to attract more nonresident students were discussed.

Dr. Kathleen McGinnis presented findings of a study she performed at UW-Stevens Point on what attracted nonresident students to campus. Significant factors included unique programs, recommendations from a friend or family member, or by a professional in a specific field of study.

The group decided that it needs to coordinate with the Working Group on Our Partnership with the State concerning financial aid because, as tuition is raised to increase revenue, the level of financial aid must be increased accordingly. The group will have joint sessions with the Partnership group on common issues.

Chancellor Markee presented a pilot program that UW-Platteville has proposed to begin in the fall of 2005 to attract nonresident students from Illinois and Iowa. UW-Platteville would focus the program on engineering and other technical degrees that are academic strengths of the institution and that also are identified as workforce needs in Wisconsin. The proposal is designed to attract an additional 2,000 students from Illinois and Iowa over a period of ten years, with 200 students in the first year. These students would pay a premium over resident tuition, but less than nonresident rates. The premium would increase in subsequent years as needed and would fully cover the cost of education as well as funding any related facility enhancement and added personnel needs. The program would not decrease access for resident students.

The group unanimously approved UW-Platteville's proposal for presentation as part of the group's final report to the Board at the end of the study. It also will be presented to the Business and Finance Committee in December.

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Achieving Operating Efficiencies Work Group

Regent Bradley, Chair, provided an overview of the group's progress and a schedule of reports and presentations for future meetings.

A report on administrative structures and major restructuring efforts in other university systems was presented and discussed. Among the findings were:

- 1) There is little commonality among university systems in functions that are centralized or decentralized.
- 2) The group intends to examine enhanced efficiency in instructional delivery, as well as in business and administrative functions.
- 3) A strategy for restructuring should comprise various components, including participation by outside consultants with a fresh look at current operations; teams that include subject matter experts and outside representatives; and buy-in for change and improvement on the part of top administrators and the Board of Regents.

The group decided to identify five or six specific functional areas that could present opportunities for increased efficiency in the UW System and a process that could be followed to study those areas. Efficiency can involve either saving money or improving effectiveness for the same amount of money.

The group heard a presentation on UW graduation rates and other data by Associate Vice President Frank Goldberg who reviewed previous improvements in efficiency of moving students through the university to a bachelor's degree. Several trends were noted:

- 1) The UW System has a high service rate.
- 2) Tuition has grown substantially.
- 3) The UW System is serving a larger population of traditional students.
- 4) The number of students participating in dual enrollment, distance education, and credit outreach has increased.
- 5) The percentage of students graduating in four years has been increasing..

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Re-Defining Educational Quality Working Group

The Re-Defining Educational Quality Working Group, chaired by Regent Mohs, received an updated version of the quality vision statement, incorporating discussion from the October meeting.

Regent Gottschalk urged the group to expand and refine its schedule and discussed with the group its progress and goals.

With regard to perceptions of quality, the group discussed its meeting with students from UW-Oshkosh, UW-Green Bay, UW-Fox Valley and UW-Marshfield. Regent Mohs then reported on his discussions of quality with the University Committees at UW-Oshkosh and UW-Madison. Those meetings focused on the impact of budget cuts on teaching and learning.

Christine Flynn Saulnier, of the Office of Academic and Student Services gave a presentation on the focus groups she conducted on quality with students, faculty and community people during the last academic year.

Maury Cotter, Director of the UW-Madison Office of Quality Improvement, reported on the work she and others have done on institutional quality and discussed with the working group its process and next steps.

Chancellor Wells distributed a process chart that provided a framework for the group's work. It was agreed that staff would incorporate the quality vision document with the process framework. At the December meeting, the working group will review a set of quality indicators that will provide early indication of quality concerns and assist institutions in continuous quality improvement.

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Research and Public Service Working Group

Regent Davis, Chair, expressed appreciation to Representatives Underheim and Black and Senator Liebham for their presentations and participation in an excellent discussion regarding the university's research and public service activities.

Regent Emeritus Tom Lyon reported on breakfast discussion meetings with Madison and Eau Claire business and community leaders. Their priorities are the quality of graduates and the need for greater diversity and communication skills. Chancellor Keating gave the example of Abbott Labs, which indicates that the students they hire from the UW System exceed expectations because of their liberal arts training.

Erica Kauten, Director of the UW-Extension Small Business Development Centers, and Larry Casper, Assistant Dean of the UW-Madison College of Engineering, made a presentation regarding statewide partnerships in support of manufacturing transformation. The UW System is developing an industry outreach plan in two areas: to grow existing businesses and to support entrepreneurship and innovation.

Addressing the public service missions of the comprehensive institutions, Chancellor Keating reported that faculty and staff use their expertise in areas beyond the classroom, including service in national professional organizations, service to their campuses, and service to their communities. The Wisconsin Campus Compact is bringing together many of the state's higher education institutions to introduce more service learning into the curriculum and to enhance student citizenship through volunteer activities. The Wisconsin Campus Compact is the only one in the country working in collaboration with university extension programs. Ed Erdman, of the UW-Whitewater faculty, challenged the group to promote enhancing and rewarding public service.

Martin Cadwallader, Dean of the UW-Madison Graduate School, reported on research at UW-Madison, which was third in the nation in research expenditures for 2000-01 with \$600 million expended, having a tremendous impact on the state's economy. On average, each of the 2,300 faculty on campus generated \$250,000-\$300,000 per year in grants, which in turn created jobs. Federal funds come primarily

from the National Institutes of Health and the National Science Foundation. These two agencies are encouraging more proposals that are collaborative and interdisciplinary in nature and that have a service component. WARF is a major player in non-federal funding, along with business and industry. The UW Foundation and other private foundations add additional resources.

Dean Cadwallader indicated that the number of patents at WARF has grown to 250, generating considerable licensing funds that are reinvested in research. Technology transfer generates companies and growth in employment at the UW-Madison Research Park. There are 107 businesses there that employ 4,000 people in jobs with average salaries of \$60,000 or more per year.

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Our Partnership with the State Working Group

Regent Walsh, Chair, reviewed the working group's goals and proposed for the December meeting a discussion on economic benefits to the state. He also proposed to discuss in February a review of accountability issues in connection with presentation of the annual accountability report.

Sharon Wilhelm gave a presentation on "Access and Financial Aid Provided to UW Students," including participation rates of immediate new freshmen in Wisconsin, family income trends of new freshmen, financial aid eligibility, sources of financial aid, and policy considerations. It was noted that, while enrollment in higher education by Wisconsin residents has declined among immediate new freshmen, enrollment by this population in the UW System has increased.

Concern was expressed that the percentage of students from low-income families enrolling in the UW System has decreased, while the percentage of those from high income families has increased. Members concluded that financial aid must be provided to ensure access for lower income students. Regent Emeritus Beckwith asked that the working group be provided with similar income comparisons from other Midwestern states.

Regent Salas pointed out that work-study funding has been flat for ten years and that working on campus is more beneficial to students' education than working in service industry jobs. Chancellors Messner and Lydecker urged that the UW lobby for federal increases in work-study funding.

It was noted that Wisconsin does not provide as much state funded, need-based financial aid as some neighboring states. However, Wisconsin students' debt upon graduation is near the national average. Regent Salas repeated his request for information on the impact of the 2003 tuition increases on student affordability, and Ms. Wilhelm indicated that a review is under way and that information would be forthcoming.

Chancellor Mash presented the working group with a proposal to increase enrollment in the UW System, particularly for nontraditional students. His presentation focused on three goals commonly raised among Wisconsin policy makers: Higher paying jobs and increased tax revenue; enhanced infrastructure for economic development; and quality of life enhancements. Chancellor Mash noted that Governor Doyle's "Grow Wisconsin" plan and Republican leaders' "Growing and Reforming Our Wisconsin" both call for more highly trained workers to transition into the high end jobs of the new economy. At the same time, budget reductions and enrollment limitations have reduced the UW's capacity for additional students.

It was noted that nontraditional part-time students are under-enrolled and under-served by the UW System and that Wisconsin ranks 31st in the nation in the percent of population with four-year degrees. Chancellor Mash will be working with UW System staff to obtain data on how the state ranks nationally in serving nontraditional students. He pointed out that focusing on part-time nontraditional students would result in brain gain for Wisconsin and urged better coordination with UW Colleges and the Technical Colleges to provide access for these students. Further, he maintained that state investment in nontraditional students would result in infrastructure development through educating more teachers, nurses, technology workers and entrepreneurs. The state would benefit from the higher tax revenue that resulted.

Chancellor Messner told the working group that he and Chancellor Reilly were developing a plan to develop a Center for Adult Access. That plan will be presented to the Working Group on Re-defining Educational Quality and could be presented to the Working Group on Our Partnership with the State as well.

Legislative leaders will be invited to the December meeting to discuss the major issues facing the UW and to seek consensus on areas such as financial aid, access, and accountability. The working group also will discuss the economic benefits of the UW System to the state.

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REPORT OF THE EDUCATION COMMITTEE

Regent Burmaster presented the report of the Education Committee.

Report of the Senior Vice President for Academic Affairs

UW System Initiative on the Liberal Arts

Cora Marrett, Senior Vice President announced the UW System Initiative on the Liberal Arts, entitled *The Currency of the Liberal Arts: Rethinking Liberal Education in Wisconsin*.

Citing the role of liberal arts in public higher education, Dr. Marrett noted that it is at the academic heart of what our institutions are about and it is time to refocus attention on the role of liberal arts in public higher education.

Rebecca Karoff, Senior Program Administrator, outlined the initiative sponsored by the UW System Office of the President and the Office of the Senior Vice President for Academic Affairs. Participants in this initiative include UW System students, Regents, faculty, staff, parents and families, local communities, PK-12 educators, private and technical colleges and universities in Wisconsin, and political, media, and business leaders. They will consider the value and purpose of the liberal arts degree and liberal education in the early 21st century.

Dr. Karoff noted that the initiative seeks to address how to effectively communicate the goals of a liberal arts education to the wider public. Future plans include a systemwide working group and campus-community dialogues.

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UW System and WTCS Credit Transfer

Senior Vice President Marrett noted the important strides made in this area. Thanking JACAP, the Joint Committee on Academic Programs, and numerous faculty members throughout the System, Dr. Marrett said all worked countless hours and diligently to review and approve courses.

Regent Burmaster remarked that, as State Superintendent of Public Instruction, she serves on both the Board of Regents and Technical College Boards and feels the importance of both systems remaining true to their unique missions is vital for student success and economic growth and development

The Committee expressed gratitude and appreciation to Senior Vice President Marrett, Assistant Vice President for Academic and Student Services, Larry Rubin and staff for clarity and multiple presentations to the Board on this topic.

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Program Authorization – First Reading: B.S. in Engineering Physics UW-Madison

Peter Spear, UW-Madison Provost and Professor Michael Corrandini, Chair of Engineering Physics, provided information on the B.S. Degree in Engineering Physics. This program merges two existing departments into one department, and is designed to meet and adapt to emerging technology needs. The program puts research experience for undergraduates at the core of the curriculum, allowing students with strong math and physics skills to work at the fore-front of emerging technology focus areas such as nano-engineering, plasma science and engineering, and scientific computing.

Regent Axtell commended the proposed program for the high employment prospects it offers students, for the fact that there is no duplication of this program anywhere in the UW System, and for its reallocation of existing resources.

The B.S. in Engineering Physics will come back to the Committee in December for a second reading.

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Report on the Industrial and Economic Development Research Fund

The Wisconsin State Statutes [Section 36.25.(25)(c)] requires the UW System to report biennially to the Joint Committee on Finance regarding use, duration, and potential economic benefits of projects funded by Industrial and Economic Development Research Funds.

Created by Wisconsin Act 27, these funds are intended to promote technology transfer and/or collaborative projects that have the potential to stimulate economic development in Wisconsin.

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Revised Faculty Personnel Rules, UW-Green Bay

Provost Hammersmith, UW-Green Bay, presented a summary of the personnel rule changes, which ensure that due process will be followed in handling complaints made by and against faculty members. UW System General Counsel Pat Brady, and the Office of Academic Affairs reviewed and endorsed the amendments.

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Regent Burmaster moved adoption of Resolutions 8757-8759 as consent agenda items. Resolution 8759 on UWS/WTCS plan for credit transfer was removed from the consent agenda at the request of Regent Bradley. Regent Mohs seconded the motion and Resolutions 8757 and 8758 were carried unanimously.

Report on Industrial and Economic Development Research Fund

Resolution 8757: That, upon recommendation of the President of the University of Wisconsin System, the report on projects undertaken in the UW System during fiscal years 2001-02 and 2002-2003, and supported by the Industrial and Economic Development Funds, be received and approved for transmittal to the Joint Committee on Finance, in accordance with s.36.25(25)(c), *Wis. Stats.*

Amendments to Faculty Personnel Policies and Procedures

Resolution 8758: That, upon recommendation of the Chancellor of the University of Wisconsin-Green Bay and the President of the University of Wisconsin System, the Board of Regents approves the amendments to the UW-Green Bay Faculty Personnel Policies and Procedures.

Adoption of the following resolution was moved by Regent Amato and seconded by Regent Burmaster.

Endorsement of the UWS/WTCS Plan for Credit Transfer and Expanding the Number of Baccalaureate Degree Holders in Wisconsin

Resolution: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents endorses the six proposals to enhance credit transfer opportunities between the University of Wisconsin System and the Wisconsin Technical College System, and explore other opportunities to expand the number of baccalaureate degree holders in Wisconsin. The UW System Board of Regents and System Administration will continue to work with the Wisconsin Technical College System on developing further transfer opportunities that ensure student success.

The UW System will work with appropriate governance structures at each of its institutions to ensure effective implementation. The goal for implementation of the following initiatives is fall, 2004.

Part I: Transfer of Occupational/Technical Courses

A new policy will be established that will enable UW institutions to transfer WTCS occupational/technical courses on a course-by-course basis. These courses will be reviewed by UW faculty at each UW System institution, and will transfer if they are found to be comparable or equivalent to UW courses at each institution. These courses will be officially posted on the Transfer Information System (TIS).

Part II: Transfer of WTCS General Education Core Courses

Subject to review and approval by the faculties at each UW System institution, a list of WTCS general education core courses will be established that will transfer and apply to UW institutions. WTCS students in applied associate degree programs will be able to transfer up to 30 credits from these courses, and apply them toward general education and/or other degree requirements at UW institutions. The manner in which they apply will depend upon the student's major and the general education and program requirements of the particular UW institution.

Part III: Degree Completion Program Agreements

The two Systems will continue to develop "2+2" degree completion programs where WTCS students will be able to transfer additional courses toward a UW four-year degree. WTCS students selecting these programs will receive a written program agreement that will specify the courses that will transfer, how they will apply, and what additional requirements will be needed for graduation.

Part IV: Credit Transfer Contract

WTCS students will be able to check and confirm how their courses will transfer towards a UW degree by referencing the Transfer Information System (TIS). The TIS printed report will serve as a written credit transfer contract for students who successfully complete the courses.

Part V: Transfer of WTCS Liberal Arts Degree Graduates

Students who graduate from WTCS liberal arts (college parallel) programs at MATC-Madison, MATC-Milwaukee and Nicolet with a revised associate of arts or sciences degree will be able to transfer up to 72 credits and have their university-wide general education requirements satisfied at any UW institution, subject to the review and approval of UW Faculty.

Part VI: Expanding Access to the Baccalaureate Degree

A broad-based committee will be created to explore additional options and develop a plan for expanding the number of baccalaureate degree-holders in Wisconsin in collaborative and cost-effective ways.

While he fully supported Parts I-IV of the resolution, Regent Bradley felt that parts V and VI address issues broader than credit transfer. He noted that working groups for the Charting a New Course project are considering issues of access, alternatives for delivering instruction, and utilization of existing resources, including the UW College campuses. Before acting on Parts V and VI, he thought the working groups should finish their study so that the Board could consider the role of the UW Colleges in moving forward.

As a friendly amendment, he moved that the resolution include only Parts I-IV and that the preamble be revised to refer to four rather than six parts. The motion was seconded by Regent Mohs. As part of the motion, Regents Bradley and Mohs agreed that Parts V and VI be referred back to the Education Committee.

Regent Amato noted that Parts V and VI do not represent final actions and would require consideration by faculty and committee work on issues to be resolved. He asked why this work could not proceed simultaneously with the Charting a New Course project, keeping the working groups informed along the way. He was concerned that, given the progress made by the two systems, efforts might be derailed if all six parts were not approved.

In response to a question by Regent Amato, Larry Rubin, of the Office of Academic and Student Services, indicated that Part V might be considered more of a credit transfer issue than Part VI.

Regent Rosenzweig pointed out that there was continuing conversation at the Economic Summit about whether the state has enough college graduates and, if not, how to promote an increase in those numbers. She felt that Part VI in particular would build momentum to a desired future of increased economic activity in Wisconsin. She felt that all six parts should be moved forward together and that this would send a positive signal about bringing the two systems into closer collaboration.

In response to a question by Regent Axtell, Regent Bradley said he was not opposed to Parts V and VI but simply wanted them studied further in conjunction with working group conclusions.

Regent Axtell stated his support for the amendment on the basis that there would be no harm in deliberating further.

Regent Walsh asked why it would not be desirable to have the broad based committee begin its work while the Charting a New Course project proceeds.

In response, Regent Bradley expressed the view that it would be better to complete the project first, in order to understand in what ways the university would be able to contribute through use of existing resources.

Regent Burmaster supported approval of all six parts of the resolution at this time so that work could proceed concurrently with the Charting a New Course project and in order to maintain the momentum that was taking place.

Regent Salas stated his support for approving all parts of the resolution, noting that students are waiting for improved transfer opportunities. Part V, he pointed out, requires approval by faculty and Part VI simply is exploratory and calls for further collaboration. He felt that the UW wants to send this positive message to its sister system.

Regent Burmaster suggested approving all six parts, with the Education Committee assigned to keep track of activity on Parts V and VI and to report back to the full board. In that regard, she noted the importance of protecting the unique missions of the two systems as collaboration continues.

Regent Bradley indicated that his working group likely would suggest that the UW Colleges do things differently in order to meet some of the needs that exist. He was concerned that Parts V and VI would cloud what the role of the UW Colleges might be.

Regent Walsh expressed concern that Parts V and VI were not drafted clearly and that it is difficult to interpret what they mean.

Regent Mohs remarked that the implications for the UW Colleges of expanding WTCS college-transfer programs had not been studied and that he had questions on that subject that had not yet been answered.

Regent Salas noted that approval of courses to transfer is part of an ongoing process, with more than 400 articulation agreements between institutions and many courses already accepted by UW institutions.

Stating that she would not like to see momentum on credit transfer issues lost, President Lyall suggested that the broad-based committee to be created under Part VI could be set up later, in a time frame that would provide an opportunity for working groups to bring forward their recommendations so that the committee would have the benefit of those conclusions in undertaking its work.

Regent Walsh also believed that the momentum on credit transfer is positive and should go forward. While the wording of Parts V and VI were unclear, his concerns would be alleviated if recommendations under these sections were returned to the Board.

Regent Axtell suggested that the wording of those sections might be clarified by the next meeting.

Regent Amato suggested that the entire matter be deferred until the December meeting in order to provide an opportunity to address concerns about lack of clarity. He felt it would be preferable to adopt all parts of the resolution at the same time and did not believe a delay of one month would cause loss of momentum.

Regent Bradley said that his concerns would be addressed if the broad based committee were to be created next summer, so that it could explore additional options after the UW had set future direction for its campuses through completion of the Charting a New Course project.

Regent Marcovich expressed concern that Part VI would create a committee to explore options, while at the same time directing it to create a plan for expanding the number of baccalaureate degree holders. He felt it would be preferable if the committee were given the option to determine whether or not to create such a plan.

Regent Bradley concurred, remarking that the UW Colleges' role in producing more degree holders should be fully explored first.

Regent Rosenzweig observed that the public expects integration and collaboration to the degree possible within individual missions of the two systems. Noting that Part VI of the resolution would not preclude the UW Colleges from a role in increasing the number of degree holders, she commented that there is much room for progress and that all parts of the package should move forward together. She felt it would not be received well if it appeared that the systems were unable to agree and suggested that deferring the matter for a month might be the best option in order to devise language with which all could feel comfortable.

Regent Marcovich stated that he fully supported expanding the number of baccalaureate degree holders and collaboration with the Technical Colleges wherever possible. He agreed with deferring the matter for a month in order to review the language in Part VI.

Regent Amato recalled that the WTCS Board had originally endorsed Part VI in a more narrowly focused form and that the language had later been broadened to include consideration of other options. Noting that Parts V and VI were in no way intended to circumvent the authority of the board or participation by faculty, he recommended deferring the resolution until the December meeting so that ambiguity in the language could be clarified.

Regent Axtell felt that deferring action on the whole resolution might send a message that the Board was opposed to it, when that was not the case. He felt more comfortable with deferring only Parts V and VI until the December meeting.

Regent Amato thought it would send the wrong message to separate out parts of the resolution because all parts are equally important. He did not think that to delay action on the entire matter for a month for purposes of clarification would send a negative signal to the Legislature, which was poised to act on the matter if the two systems did not move forward.

In response to a question by Regent Bradley, Regent Amato explained that, in addition to the matters addressed in Parts I-IV, there is an expectation that progress will be made on the liberal arts transfer issue. Noting that there is much work to be done in terms of faculty governance, comparability of courses and ensuring student success, he said that Part VI sends a positive message that the two systems are coming together to address these matters.

Regent Burmaster felt that to adopt Parts I-IV now would show that the systems indeed are working collaboratively and not just delaying action. Parts V and VI could then be addressed in December.

As a point of clarification, Regent President Marcovich stated that the motion on the floor includes the admonition that parts V and VI be reported back to the Board in December.

Regent Amato said he was comfortable with the deferral for one month.

The question was put on the amendment, and it was adopted on a voice vote, with no opposition expressed.

The resolution as amended was adopted on a voice vote, with no opposition expressed.

Endorsement of the UWS/WTCS Plan for Credit Transfer and Expanding the Number of Baccalaureate Degree Holders in Wisconsin

Resolution 8759: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents endorses four proposals to enhance credit transfer opportunities between the University of Wisconsin System and the Wisconsin Technical College System, and explore other opportunities to expand the number of baccalaureate degree holders in Wisconsin. The UW System Board of Regents and System Administration will continue to work with the Wisconsin Technical College System on developing further transfer opportunities that ensure student success.

The UW System will work with appropriate governance structures at each of its institutions to ensure effective implementation. The goal for implementation of the following initiatives is fall, 2004.

Part I: Transfer of Occupational/Technical Courses

A new policy will be established that will enable UW institutions to transfer WTCS occupational/technical courses on a course-by-course basis. These courses will be reviewed by UW faculty at each UW System institution, and will transfer if they are found to be comparable or equivalent to UW courses at each institution. These courses will be officially posted on the Transfer Information System (TIS).

Part II: Transfer of WTCS General Education Core Courses

Subject to review and approval by the faculties at each UW System institution, a list of WTCS general education core courses will be established that will transfer and apply to UW institutions. WTCS students in applied associate degree programs will be able to transfer up to 30 credits from these courses, and apply them toward general education and/or other degree requirements at UW institutions. The manner in which they apply will depend upon the student's major and the general education and program requirements of the particular UW institution.

Part III: Degree Completion Program Agreements

The two Systems will continue to develop "2+2" degree completion programs where WTCS students will be able to transfer additional courses toward a UW four-year degree. WTCS students selecting these programs will receive a written program agreement that will specify the courses that will transfer, how they will apply, and what additional requirements will be needed for graduation.

Part IV: Credit Transfer Contract

WTCS students will be able to check and confirm how their courses will transfer towards a UW degree by referencing the Transfer Information System (TIS). The TIS printed report will serve as a written credit transfer contract for students who successfully complete the courses.

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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 Salas, Vice Chair.

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Report of the Assistant Vice President

Building Commission Actions

Assistant Vice President Nancy Ives reported that \$24 million dollars had been approved for various projects at their October meeting. She also noted that the Building Commission is beginning a discussion of various process improvements and statutory changes related to the building program.

Alan Fish, Associate Vice Chancellor, UW-Madison, presented an outline of the 15 year plan of the East Campus Redevelopment Plan.

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The following resolutions were presented to the Board of Regents as consent agenda items. Moved by Regent Salas and seconded by Regent Randall, the motion carried unanimously.

UW-Madison: Authority to Construct a Camp Randall and Kohl Center Scoreboards Replacement Project

Resolution 8760: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Camp Randall and Kohl Center Scoreboards Replacement project at an estimated total project budget of \$6,400,400 of Program Revenue Supported Borrowing. This project will be combined with the previously approved Camp Randall Stadium Expansion/Renovation project.

UW-Madison: Authority to Construct a Camp Randall Stadium Seating Risers and Restroom Maintenance Project

Resolution 8761: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Camp Randall Stadium Seating Risers and Restroom Maintenance Project at an estimated total project cost of \$6,930,200 (\$2,772,100 of Program Revenue Supported Borrowing, and \$4,158,100 General Fund Supported Borrowing-Facility Repair and Renovation. This project will be combined with the previously approved Camp Randall Stadium Expansion/Renovation project.

UW-Madison: Authority to Construct a Camp Randall Sports Center Maintenance Project

Resolution 8762: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Camp Randall Sports Center Maintenance Project at an estimated total project budget of \$1,819,800 (\$727,900 Program Revenue Supported Borrowing, and \$1,091,900 General Fund Supported Borrowing - Facility Repair and Renovation. This project will be combined with the previously approved Camp Randall Stadium Expansion/Renovation project.

UW-Madison: Authority to Prepare a Utility Master Plan

Resolution 8763: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to hire a consultant to prepare a Utility Master Plan at an estimated cost of \$750,000 (\$500,000 Building Trust Funds-Planning and \$250,000 Institutional Non-GPR funds).

UW-Madison: Authority to Prepare a Campus Master Plan Update

Resolution 8764: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to hire a consultant to prepare a Campus Master Plan Update at an estimated cost of \$600,000 (\$250,000 Building Trust Funds Planning, \$250,000 Non-GPR Institutional funds, and \$100,000 Institutional Transportation Services funds).

UW-River Falls: Approval of the Design Report and Authority to Construct a Dairy Science Teaching Center

Resolution 8765: That, upon the recommendation of the UW-River Falls Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct a Dairy Science Teaching Center project at an estimated total project cost of \$7,213,000 (\$6,713,000 General Fund Supported Borrowing and \$500,000 Gift Funds). Of this total, the amount of \$3,431,000 (\$2,931,000 General Fund Supported Borrowing and \$500,000 Gift Funds) was previously authorized.

Regent Randall noted that the River Falls Dairy Renovation Project is very important to the state because of the size of the dairy program and because agri business is one of the top five employers in the state. This project will allow students to study in a program that has moved into the 21st Century. And the partnership between UW-River Falls and Vincent High School, the only urban high school in the state with an agricultural focus, offers an opportunity to students of color to be exposed to agri business and perhaps choose occupations in that area. Regent Randall pointed out that the positive implications of this program will improve the state's economy and make it accessible to all people.

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REPORT OF THE BUSINESS AND FINANCE COMMITTEE

The report of the Business and Finance Committee was presented by Regent Bradley, Chair.

Executive Salary Ranges

The committee did not consider the subject of the Executive Salary ranges.

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Committee Business

Quarterly Gifts, Grants, and Contracts

Vice President Durcan presented summary of gifts, grants and contracts awarded to UW System institutions for the three month period ending on September 30th.

Gifts, grants and contracts were \$394 million dollars, an increase of \$35.9 million dollars from the comparable period of the previous fiscal year. Federal awards increased by \$15.2 million dollars and nonfederal awards increased by \$20.7 million dollars.

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Annual Sick Leave Report

Susan Chamberlain, Director, Staff Benefits and Payroll Policy for the UW System reviewed the statutorily required annual report on the usage of sick leave by faculty and academic staff.

The results, she noted, are within the normal range of experience over the prior 15 years. Faculty and teaching academic staff figures were comparable to professional classified staff; non-teaching academic staff figures were comparable to that of all classified staff.

Ms. Chamberlain pointed out that the sick leave conversion program is a benefit for all state employees, and a valuable tool for recruitment and retention of faculty and staff.

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Annual Broadcast Report

David Olien, Senior Vice President for Administration, summarized the programming, funding, and staffing levels of all 13 radio and television broadcast stations licensed by the Federal Communications Commission. Of ten "student" radio stations, six are affiliated with Wisconsin Public Radio (WPR).

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Report of the Vice President

VP Debbie Durcan reported that the Legislative Audit Bureau's administrative audit of the UW System is expected to be received in December.

At the October meeting, the Board recommended faculty and academic staff salary increases of up to 4% as funding was available in the compensation reserve. VP Durcan reported that Karen Timberlake, Director of the Office of State Employment Relations, recommended to the Joint Committee on Employment Relations (JCOER) a 0% increase in the first year and a 1% increase in fiscal year 2005. This was approved by the JOCER Committee on October 21st.

Ms. Durcan reported that the University and the Division of Vocational Rehabilitation (DVR) within the Department of Workforce Development reached an agreement on funding for fiscal year 2004. The amount (\$329,500) is half the funding received last year, which continues the steady decline and essentially results in additional cuts to our institutions.

In regard to the investigation of Strong Funds and the EdVest program, the Governor has granted permission for the College Savings Board to hire outside counsel to conduct a legal audit to determine whether investors were harmed and what mechanisms are in place to prevent this from recurring. Strong Funds is also one of the investment options for participants in the tax sheltered annuity program.

Ms. Durcan also noted that the Joint Committee on Finance approved the UW System Auxiliary Reserve Plans for 2003-04.

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Public Forum on Trust Fund Investments

The Business and Finance Committee's Public Forum on Trust Fund Investments provided a forum for the public and students to present their views and opinions on the investments of the Trust Funds.

Speakers urged the Board to be more active in following its guidelines on social responsibility, to consider proactive screening of companies, and to take a more active role in divestiture in the future, especially in companies doing business in Burma as well as a divestiture of our investment in Tyson Foods.

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On behalf of the Committee, Regent Bradley moved adoption of Resolutions 8766 and 8767. Regent Rosenzweig seconded the motion and it carried unanimously.

UW System Trust Funds Acceptance of Bequests

Resolution 8766: That, upon the recommendation of the President of the University of Wisconsin System and the Chancellors of the benefiting University of Wisconsin institutions, the bequests detailed on the attached list be accepted for the purposes designated by the donors, or where unrestricted by the donors, by the benefiting institution, and that the Trust Officer or Assistant Trust Officers be authorized to sign receipts and do all things necessary to effect the transfers for the benefit of the University of Wisconsin.

Let it be herewith further resolved, that the President and Board of Regents of the University of Wisconsin System, the Chancellors of the benefiting University of Wisconsin institutions, and the Deans and Chairs of the benefiting Colleges and Departments, express their sincere thanks and appreciation to the donors and their families for their generosity and their devotion to the values and ideals represented by the University of Wisconsin System. These gifts will be used to sustain and further the quality and scholarship of the University and its students.

Annual Gifts-In-Kind Report

Resolution 8767: That, upon recommendation of the President of the University of Wisconsin System, the Annual Gifts-In-Kind Report be accepted for transmittal to State Officials.

Regent Randall asked that Resolution 8768 be removed from the consent agenda for further discussion. He expressed a concern raised by students whether the program addresses the goal of recruiting more students of color and attracting students in need of financial aid.

In response, Chancellor Wells noted that there is not much difference in the diversity of alumni at UW-Oshkosh, that are Wisconsin based versus outside the state.

Chancellor Miller responded that research at UW-Madison found virtually no difference in ethnic diversity of alumni that would be or could have been in this program, versus those that did not participate in this program.

Regent Randall commented that the UW-Whitewater campus has a better record for diversity than some other campuses.

Regent Gottschalk noted that Chancellor Wiley had stated that because of extensive research, he felt very confident that this program would not have an adverse impact on diversity at UW-Madison.

Chancellor Shepard pointed out that this multiplies access opportunities and will open doors to allow us to achieve a better job of diversifying the student body.

Regent Connolly-Keesler noted that this is a pilot program and in three years it will be re-evaluated. She felt that if there are unanticipated areas that need to be addressed, it could be acted upon at that time.

Because students in many cases do not support it, and have fears about what this might mean in the future, Regent Richlen indicated that she hopes it remains a pilot program and that it is re-evaluated in three years. Regent Marcovich concurred that it clearly is a pilot program.

Chancellor Wells pointed out that since this is a pilot program, it will be evaluated very carefully. One of the points of pride at UW-Oshkosh, Chancellor Wells stated, is that students of color, both first time transfers and freshman, went up about 29%.

Regent Marcovich moved adoption of Resolution 8768. Approved on a voice vote, it carried unanimously.

"Return to Wisconsin" Tuition Pilot Program

Resolution 8768: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the "Return to Wisconsin" program offering discounted tuition to non-resident children and/or grandchildren of alumni at self-selected pilot institutions beginning in fall 2004.

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UNFINISHED OR ADDITIONAL BUSINESS

Ten Commandments of Leadership

Regent Gottschalk read ten commandments of leadership, adapted from *Paradoxical Commandments*, by Dr. Kent M. Keith, and noted that copies could be obtained from the office of the secretary.

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Article by Chancellor Wiley

Urging everyone to read the article written by UW-Madison Chancellor John Wiley for *Madison Magazine*, Regent Walsh noted the importance of financial aid to prevent denial of access to those who cannot afford to pay for college. He read the following paragraph from that article: "The median family income in Wisconsin is a little over \$45,000 per year. For this year's new freshmen at UW-Madison, it averages \$90,000 per year. Yet, the distribution of brains, talent, ambition, and creativity is independent of family income. We will ignore that fact and freeze out the children of average and low income families at our peril. No society is rich enough to waste any of these assets."

The challenge, Regent Walsh stated, is to convey the message to the Legislature and the public that state funds are needed to help in overcoming that problem. Economic growth in Wisconsin, he pointed out, is dependent on education and college graduates.

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CLOSED SESSION

The meeting was recessed at 11:35 a.m. and reconvened at 11:45 a.m., at which time the following resolution, moved by Regent Walsh and seconded by Regent Axtell, was adopted unanimously on a roll-call vote, with Regents Walsh, Salas, Rosenzweig, Richlen, Randall, Pruitt, Mohs, Marcovich, Gottschalk, Connolly-Keesler, Bradley, Axtell, and Amato (13) voting in the affirmative. There were no negative votes and no abstentions.

Resolution 8769:	That, the Board of Regents recess in Closed Session, to consider a student request for review of a UW-Milwaukee decision, as permitted by s.19.85(1)(f), <i>Wis. Stats.</i> , and to confer with Legal Counsel concerning pending and potential litigation, as permitted by s.19.85(1)(g), <i>Wis. Stats.</i>
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The Board arose from closed session at 11:55 a.m., having adopted the following resolution:

Resolution 8770: That the Board of Regents adopts the attached decision on the request for review of a UW-Milwaukee decision by a former student.

Submitted by:

Judith A. Temby, Secretary