

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, April 2, 2004

9:00 a.m.

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9:00 a.m.

- President Marcovich presiding -

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

ABSENT: Regent Gracz

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**MEMORIAL RESOLUTION: ANN M. LYDECKER**

Regent President Marcovich presented the following memorial resolution for UW-River Falls Chancellor Ann M. Lydecker, who had died in an automobile accident on March 25<sup>th</sup>. Noting that he had chaired the Regent committee that selected her to lead UW-River Falls, he said that he had never been more proud of something he had done.

**Memorial Resolution Ann M. Lydecker**

Resolution 8816: WHEREAS, Ann M. Lydecker was a highly respected and graceful leader; a talented and dedicated educator;

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and a woman of extraordinary compassion, radiant warmth and generous spirit; and

WHEREAS, Lydecker served admirably for three years as the 14th chancellor of the University of Wisconsin-River Falls; and was the first woman to serve in that role in the campus' 130-year history; and

WHEREAS, through genuine enthusiasm and unwavering commitment to improving lives through education, Ann elevated the stature and scope of UW-River Falls, where she inspired faculty, staff and countless students to continually pursue their passions and reach their fullest potential; and

WHEREAS, Lydecker contributed significantly to the university's role in regional economic and cultural development through work with organizations including the Governor's Council on Workforce Investment and the River Falls Economic Development Corporation; and

WHEREAS, in addition to her service as chancellor, Lydecker's lifelong commitment to education included roles as a sixth-grade teacher; an assistant and associate professor of education at Gustavus Adolphus College; professor and chair of the Curriculum and Instruction Department at Minnesota State University-Mankato; founding dean of the School of Education and Professional Studies and provost and vice president for academic affairs at Bridgewater State College; and

WHEREAS, Lydecker was active in local, state and national educational organizations, helping to chart the future of the UW System, enhance educational excellence, and ensure a more seamless educational system; and

WHEREAS, Ann's contributions to higher education, UW-River Falls, the University of Wisconsin System, the St. Croix Valley region, the state and the nation are immeasurable; and

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WHEREAS, we lost a valued colleague, an inspiring role model, a vibrant leader and beloved friend when Ann Lydecker died in an auto accident on March 25, 2004;

BE IT THEREFORE RESOLVED, that as the university community remembers Chancellor Ann M. Lydecker, her many contributions, and her gracious, welcoming smile, the Board of Regents extends its deepest sympathy to Ann's husband, sons, grandsons, and family; recognizes Ann's many achievements; and pledges to sustain her legacy of excellence, commitment and compassion.

Regent President Marcovich asked that the resolution be adopted by acclamation and placed upon the roles of the Board.

UW-Green Bay Chancellor Bruce Shepard then made the following statement in memory of Chancellor Lydecker:

“In memory of Ann Lydecker – educator, chancellor, mother, grandmother, wife, and dear friend to so many. You rose to eminence from school teacher to chancellor, shattering glass ceilings with your undeniable confidence, your irrepressible passion, and your unrestrained caring.

“We mourn the loss of what you continually gave for shared enterprise, your leadership on campus and within the System, your creativity, your judgment, your keen good sense. But there is a much rarer gift you brought to your colleague chancellors and that is what we deeply mourn. You, Ann, were an important part of the glue that held us together, pursuing common purposes. You did it through the power of your personality, the clarity of your vision, the largeness of your hugs, those free drink tickets we would cash in the lounge where we all stayed on Wednesday and Thursday evenings, and, in my case, your skillful mentoring.

“I met Ann when we were serving on campuses as provosts on opposite sides of the continent. Our paths crossed first at national meetings we provosts would periodically have. I still remember that first meeting as a new and somewhat intimidated provost. After a day spent, as we all have, in windowless hotel conference rooms, we did retire to the lounge. Knowing no one there and recognizing that academics in general and provosts in particular are not party animals, I gravitated to the one group that seemed to be having a lot of fun; and there is where I first met Ann. Over the years our professional relationship deepened as we would use those semi-annual meetings to discuss issues on campuses and in our lives, challenges involved in our faculty, challenges involved in our friends, challenges involved in our children.

“Eventually, I had the good fortune to follow Ann as our careers took us each by separate paths to Wisconsin, and, as I was orienting myself, Ann was always the educating and caring mentor. She offered me much guidance as I sought to learn my role

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here. And, as only a really, really good friend will do, Ann did not hesitate to reach me on the phone to bluntly inform me when she saw after, say, a spirited meeting here in Madison, that I had not yet adequately learned the lessons of common purpose in effective collegial leadership.

“Ann was so happy to be in Wisconsin and in River Falls. She really had reached a pinnacle in her career – her pride bursting forth as she would share news of this or that campus or community development – and a pinnacle in personal life as she would share pride in what her sons and grandchildren were achieving.

“We chancellor colleagues admire what Chancellor Lydecker has done professionally. We mourn the loss of great potential cut short. But, mainly, Ann, we admire who you were; and it is the loss of such a good friend and such a good person that we feel so deeply.

“So this we must promise: We will seek to remember you and honor you in the days remaining to each of us through making an extra effort to add our bit to the glue that you so critically provided, each of us listening carefully and acting constructively as you always unfailingly did. And we will seek to make up for those hugs we already so badly miss by seeking to add ever more to those that we must, in compensation for your passing, ever more generously give.”

Regent President Marcovich asked that Chancellor Shepard’s comments be made a permanent part of the record of this meeting.

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## **APPROVAL OF THE MINUTES**

The minutes of the March 4<sup>th</sup> meeting were amended to show that Regent Amato was present. With that amendment, the minutes of the March 4<sup>th</sup> and 5<sup>th</sup> meetings stood approved.

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## **REPORT OF THE PRESIDENT OF THE BOARD**

### **Wisconsin Technical College System Update**

A written update on the Wisconsin Technical College System was provided by Regent Amato.

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### **Report of the Hospital Authority Board**

A written report on the March 31<sup>st</sup> meeting of the Hospital Authority Board was provided.

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## **REPORT OF THE PRESIDENT OF THE SYSTEM**

### **Chancellor Ann Lydecker**

Speaking in memory of Chancellor Lydecker, President Lyall noted that these are times when people really come to appreciate the leadership of the chancellors, not only for their campuses but also for the communities in which they are located.

Indicating that Chancellor Lydecker was on her way to a women's history event at UW-Platteville when the accident occurred, she read the following good advice from notes that the Chancellor had intended to use in speaking about leadership.

- Be yourself – emotions are okay.
- Respect human dignity.
- Don't be afraid to get your hands dirty.
- No one gets anywhere alone.
- Smiles and hugs go a long way.
- Leave the world a better place than when you arrived. She certainly did, President Lyall noted, and she will be missed greatly for that.

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### **Presentation of 2004 Academic Staff Awards for Excellence**

In opening remarks, Regent Connolly-Keesler, Chair of the Special Regent Committee that selected the award winners, stated that, by presenting these awards each year, the Board demonstrates its strong appreciation for the UW System's non-instructional academic staff whose excellence is crucial to the strength of the System and its universities. The awards acknowledge the vital contributions they all make, as well as their institutional loyalty, professionalism, and devotion to serving students and the public.

Noting that Regent Davis, Regent Randall, and Regent Salas assisted in the selection process, she reported that the winners were chosen from 15 impressive nominations. The final decisions were based on several performance criteria, with the committee looking for extraordinary contributions to the nominee's unit and an overall level of service that truly enhanced the mission of the university.

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The two recipients each will receive \$5,000, which will be used to support their own professional development or to enhance the program or function of their departments.

Indicating that the contributions of the other nominees also are significant, she observed that they demonstrate the wide range of invaluable services being provided by non-instructional academic staff throughout the UW System. The nominees included an assistant to a dean of a school of education, a radio talk show host and producer, and a director of admissions and enrollment.

Deon Nontelle, UW-La Crosse

Introducing the first award winner, Regent Connolly-Keesler indicated that Ms. Nontelle, the UW-La Crosse Biology Department Lab Manager, coordinates the introductory and general biology labs – a task that includes as many as 1,200 students, 40 labs, and 17 different lab instructors per semester. Her dedication to students has been displayed by her perfect attendance record – a record that she maintained even while overcoming significant health problems. In addition to the laboratories, Ms. Nontelle manages the university's greenhouse, spending weekends and holidays tending to the plants that are used in the labs, as well as propagating them to fund the Biology Club through the annual plant sale.

In a letter supporting her nomination, Professor Mark Sandheinrich, Chair of the Department of Biology, stated that “the Department of Biology, the University of Wisconsin-La Crosse, and the greater La Crosse community are better because of Deon Nontelle's outstanding achievements and professionalism. I cannot think of any individual more worthy than Deon for the Academic Staff Regents Award for Excellence. Her nomination has my greatest endorsement.”

Accepting the award, Ms. Nontelle commented on what a joy it is to receive an award for something one truly loves to do and expressed her enjoyment in sharing her passion for biology with all her students and the community. It is a great honor, she said, both to receive the award and to represent academic staff throughout the state who provide tremendous support for the UW System.

She expressed her gratitude for the award to the Regent Committee, the UW-La Crosse Academic Staff Council, Chancellor Doug Hastad, and Professors Mark Sandheinrich and Thomas Volk who had nominated her. She felt fortunate to have been part of a department that thoroughly supported her endeavors, first as a student and then as an educator. She also thanked her husband who was always there for her and who put up with many lonely nights and weekends while she was doing her job on campus.

In conclusion, she thanked the Mayo Clinic for the excellent health care given her in 1999, without which she would not have been able to continue her career.



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Pamela Fendt, UW-Milwaukee

Regent Randall presented the second Academic Staff Award for Excellence to Pamela Fendt, the senior policy analyst at UW-Milwaukee's Center for Economic Development. Ms. Fendt received her undergraduate degree from UW-Milwaukee in 1986 and her Master of Science in Urban Studies in 1996. In her current position, she provides assistance to groups working on economic development projects and conducts research on economic development policy. She has bolstered university-community partnerships, serving a variety of organizations in the greater Milwaukee area, including the Northeast Milwaukee Industrial Development Corporation to help that area's residents cope with the loss of industrial jobs.

In addition, Ms. Fendt has an international reputation as a researcher on welfare reform policy, especially on the impact of Wisconsin's welfare reforms on labor markets, urban family life and early childhood programs.

In a letter supporting her nomination, Marc Levine, Director of the Center of Economic Development, wrote: "Pam Fendt is a true public intellectual. Her idealism, collegiality, integrity, commitment, and intelligence have made Milwaukee a better place and have helped make the Center for Economic Development a world-class research and technical assistance unit. Pam is the antithesis of the self-promoter: She is a serious, hard-working, self-effacing person who simply cares about doing good work and making a contribution to her community."

Expressing appreciation for the award, Ms. Fendt said that she felt fortunate to have a job that built directly out of what she learned in the graduate program in Urban Studies at UW-Milwaukee - a program that allows a student to study in courses across disciplines. She took courses in urban studies, history, social welfare, and public administration in order to build a research background in welfare reform and welfare policy labor market issues. In her job, she was able to continue learning and assisting in those fields. To be given an award for doing that work, she stated, is a great honor. She feels fortunate, she said, to be able to do work that promotes economic growth in Southeastern Wisconsin and to be part of the Milwaukee Idea and the university's urban mission to make a difference in the community.

She remarked that her boss, Professor Mark Levine, is an outstanding example of an engaged academic from whom she has learned much about how to work in the public sector and to bring university research to bear on urban problems.

In conclusion, she expressed her gratitude to her husband for all his help and support.

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**Minnesota-Wisconsin Reciprocity**

President Lyall referred to recent press reports that Minnesota is considering changing the reciprocity agreement with Wisconsin that enables students to attend college in each state at home state tuition. Because Minnesota tuition has risen faster than Wisconsin tuition, Wisconsin students can attend Minnesota colleges for about \$1,000 less tuition than resident Minnesota students.

Stating her hope that reciprocity remains in place, she noted that it maximizes student choice and minimizes student costs by enabling each state to avoid duplication of specialized programs that otherwise would have to be offered in both states. If reciprocity were eliminated, she predicted that flows of students between states would change significantly. Currently, 13,000 Minnesota students come to Wisconsin campuses and about 10,000 Wisconsin students go to Minnesota schools. If there were no reciprocity, many of those Wisconsin students would stay in state and increase enrollment pressures on Wisconsin campuses, while others might decide to leave the state, thereby impeding brain gain efforts.

Noting that the reciprocity agreement is negotiated between the state higher education aid agencies, President Lyall reported that negotiations for next year have been completed; and, aside from a clarification that graduate assistants are covered by the agreement, no changes have been made for next year. The agreement is linked by statute with income tax reciprocity for residents who live in one state and work in the other, and past examinations of the issue have led to the conclusion that reciprocity works well for both states.

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**2005-07 Budget Development**

With regard to budget development, President Lyall indicated that preliminary choices will be brought to the Board in June, and a final budget document will be brought for action in August.

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***UW-Parkside Gets Campus Contract Grant***

President Lyall congratulated UW-Parkside and Chancellor Keating on receiving the largest AmeriCorps VISTA grant in the country (\$484,000) for the Wisconsin Campus Compact. The Compact is recruiting 35 AmeriCorps VISTA student volunteers to serve one year in communities across the state in assignments targeted to developing lasting solutions to problems of local poverty. Volunteers receive a modest living allowance and, at the end of their service, an educational grant of \$4,725. The Wisconsin Campus Compact is a coalition of 30 postsecondary institutions committed to service learning as part of the undergraduate curriculum. All UW campuses are members of the Campus Compact. President Lyall thanked Chancellor Keating for leading this important effort for the UW and the state.

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***UW Staffer Goes to NCAA***

President Lyall reported that Erik Christianson, UW System Administration Press Officer, will leave to become Press Director of the NCAA. Noting that he will be missed, she noted that he made the communications program more efficient and saved public dollars by moving publications from print to online and expanding and improving the UW System web site.

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***UW Poster Session in Capitol***

It was reported by President Lyall that more than 100 undergraduate research exhibits will be on display at the State Capitol on April 27<sup>th</sup>. All of the four-year and most of the two-year campuses will be represented. There will be a program about the importance of research, featuring Regent Vice President Walsh, Senior Vice President Marrett, Corvy Hovis, of the National Science Foundation, legislators, and a representative of the Governor's Office. Some of those student exhibitors will travel to Oshkosh to participate in a system-wide undergraduate research poster session the next day. These exhibits, she remarked, show how well students are being prepared for the knowledge economy.

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***UW-Milwaukee Dance Team Wins Championship***

President Lyall congratulated the UW-Milwaukee Dance Team for winning a national Hip Hop championship for Division I schools. The Panther Dance Team consists of 14 members who promote school spirit through cheerleading and choreographed routines at major athletic events and community appearances. The competition was broadcast nationwide on ESPN.

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***School for Mascots***

It was noted by President Lyall that UW-Milwaukee conducts one of the nation's largest summer schools for athletic team mascots.

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***UW-Madison Improvement Showcase***

President Lyall reported that UW-Madison's fifth annual Improvement showcase is scheduled for April 5<sup>th</sup>, the theme being "Organizational Effectiveness: Improving work, Learning and Climate." Included will be more than 50 examples from across

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campus on how to be most efficient and effective with resources during these tight times. Faculty and staff attend the showcase to find best practices to apply to their own units.

More than 200 improvement examples over the past five years have included:

- Over \$1 million in annual savings in purchasing and library acquisitions through collaboration with other Big Ten universities;
- Technology solutions to speed admissions, accounting, scholarship processing, and remodeling; and
- Campus-wide systems for improving student success through advising, first-year programs, learning communities, and by identifying students most at risk and matching them with appropriate resources.

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## **UPDATE ON CHARTING A NEW COURSE FOR THE UW SYSTEM**

Regent Gottschalk, Chair of Charting a New Course, began by stating that in all its efforts in support of public higher education, the Board and university will be judged by the potential they fulfill, by the dreams they build, by the amount of opportunity they create, by how far they reach, and by the number of lives they touch and shape. The greatness of the university and its students resides in their potential, he said, and it is on these students and their potential that budget priorities for 2005-07 are being focused.

This potential, he continued, is under great duress due to challenging budgets, competing public interests, and escalating costs that have all combined to bring the UW to a defining moment. How priorities are identified, articulated and achieved will be the key determinants of what the university will look like in future years. First, however, it is necessary to take the initial steps of moving from the current biennial budget to the next one.

Therefore, he explained that the focus at this meeting is on preliminary budget recommendations that are emerging from the Charting project. While these do not necessarily capture the big and bold ideas that the working groups are considering, they are next steps in moving toward the longer term.

Noting that these recommendations are made with the state's very demanding fiscal and political climate in mind, he recalled that the Charting project was undertaken through the motivation of three key drivers: 1) A changing state fiscal environment; 2) A growing market demand for education services; and 3) a rapidly evolving technological and economic environment. Throughout, the focus has been on students and what they need for a quality education.

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### **Working Group on Revenue Authority and Other Opportunities**

Regent Axtell, Chair, reported that the group studied many ideas, some of which have potential for creating either savings or increased revenues. However, none of those could be quantified as having a major impact on the next biennial budget.

Noting that tuition, along with state resources, are the primary sources of revenue for instruction and that the Board's authority to increase tuition for undergraduates is limited by statute, Regent Axtell reported that the working group recommended that the Board seek full authority to set tuition and fees for all students.

In order to maintain access for students across the income spectrum, the working group endorsed a strong recommendation for additional state-funded financial aid. In that regard, it was noted that Wisconsin has moved from being a low-tuition, low-financial aid state to a moderate-tuition, low-financial aid state.

In the area of risk management, Regent Axtell reported that the working group considered whether creating a stand-alone program could result in substantial savings. That matter is being studied in concert with the Department of Administration.

With regard to per-credit tuition, the working group recommended that one or more institutions experiment with this option on a pilot basis. In that regard, he noted that the results from UW-Stout's per-credit program have been revenue neutral.

In the area of gifts and grants, Regent Axtell indicated that the federal government, with its large deficits, is not likely to be a major source of additional funding. Nonetheless, the working group adopted recommendations in this area in order to press as hard as possible to generate available funds.

Reporting that the group devoted considerable time to the subject of non-resident tuition, he indicated that undergraduate non-resident students currently pay 174% of the cost of education at the comprehensive universities and 194% at UW-Madison. Recent increases in these rates had become an obstacle to attracting non-resident students, resulting in a loss of \$4-\$5 million and 400-500 students in the year after an 18% increase was implemented. Therefore, the working group recommended that the Board's tuition policy be amended to include a statement that non-resident tuition should be competitive with tuition charged at peer institutions. The group also recommended that other institutions consider innovative ways to attract non-resident students, like UW-Platteville's Workforce Development Plan.

The working group decided to advance two basic principles for the Board's consideration in moving forward with its biennial budget request:

1. State funding for higher education must increase.
2. The UW System must be allowed to increase GPR positions.

With regard to those principles, Regent Axtell stated that stabilization of GPR support for public higher education is essential in order to offer quality education to students and that this cannot be done without providing the necessary instructional staffing. In the past year, the situation had been described by such phrases as "The band-

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aid box is empty” and “Enough is enough.” Indicating that the working group would repeat those assessments, he noted that more than 670 state funded faculty and staff positions have been lost at the same time that enrollment has increased by 6,600 FTE students. This, he pointed out, represents a serious threat to the quality of education of UW students now and in the future.

He reported that the working group, therefore, advanced the following recommendations for the 2005-07 biennial budget:

- The state must stabilize GPR support for public higher education.
- The university should be allowed the flexibility and/or authority to restore faculty positions.

In conclusion, Regent Axtell thanked Regents Gracz and Pruitt, Regent Emeritus Steil, Chancellors Markee, Shepard and Greenstreet, Senior Vice President Olien and other members for their service on the working group. He also expressed gratitude to Mr. Olien’s staff for their excellent work in supporting the group’s efforts.

In discussion following Regent Axtell’s report, Regent Olivieri asked if the working group’s financial aid recommendation is the same as one recommended by the Working Group on Our Partnership with the State, which had been presented at the last meeting. Regent Axtell indicated that his working group did not recommend a particular package, since that was being handled by another group, but wanted to endorse the principle that needs in this area must be met. While there was discussion of loan forgiveness and rebates, it was recognized that further study would be needed before developing any recommendations in these areas.

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### **Achieving Operating Efficiencies Working Group**

Regent Bradley, Chair, reported that the working group developed two biennial budget related recommendations and five recommendations for statutory changes.

The budget recommendations were as follows:

- In conjunction with the Working Group on Re-Defining Educational Quality, the Working Group on Operating Efficiencies recommended that funds be requested to support educational quality grants. As recommended by Dr. Alan Guskin, the working group believed that fundamental, not incremental, changes in academic and administrative practices on all UW campuses are necessary to maintain and enhance the university. Potential grant categories would include teaching methods, learning methods, curricula, use of technology, and organizational efficiencies. Investment in these grants could result in models that would enhance the quality of education, prepare graduates to contribute to their communities and the economy of the state, and help universities to operate more effectively.

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- The working group recommended investing in pilot programs to promote administrative and programmatic collaboration. These pilot programs could identify which approaches prove most effective, resulting in an administrative model that could be used to guide future efforts.

In the area of statutory change, the working group recommended:

1. That the UW System request flexibilities to shorten the capitol building process by modernizing statutes and better matching delivery methods to situations. These would include allowing state agencies to use flexible bidding processes; implementing certain process improvements; and allowing the Board of Regents to issue its own bonds for program revenue supported projects. Potential savings to the state through the avoidance of inflation and other process-related costs could be over \$400 million over a 20-year period..
2. That the UW System seek flexibility in the procurement process to allow purchase of goods and services directly in the marketplace. This would allow the UW to take advantage of higher education consortium contracts, such as the Big Ten Consortium contract for office supplies. Over a million dollars of savings could accrue to the state from just that one consortium contract, with the UW realizing savings over \$600,000. In addition, the university would be able to move more quickly and cost-effectively if Department of Administration approval were not required for certain types of procurement processes.
3. That the Board of Regents seek authority to redeem and reinvest all of the proceeds from the sale of buildings or land that the UW acquired with program revenue or donated funds. Currently, the proceeds from the sale of state buildings and land, including UW property, are credited to the state's budget stabilization fund. If the university were able to retain the proceeds from these sales, full use could be made of the program revenue or gift.
4. That the Board of Regents be allowed to create academic fee-funded and certain other program revenue-funded positions as needed. Current statutes do not allow the university to create positions using revenues generated by programs that are not 100% fee funded. This hampers the ability to address student needs. These changes would not require any investment by the state and would provide a substantial return to its citizens.
5. That the UW System assume all cash management and investment responsibilities currently performed for the university by the Department of Administration. This would be consistent with the operations of other higher education institutions throughout the country and would enable improvement in the current interest earnings rate. Interest earned now

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totals \$5 million annually, of which the university receives \$2 million and the Department of Administration receives \$3 million. With the UW investing differently, the interest could increase to about \$15 million annually.

In conclusion, Regent Bradley expressed appreciation to the committee members for their hard work and appreciation for the excellent staff services provided by Vice President Durcan, Ron Yates and Jane Radue.

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### **Redefining Educational Quality Working Group**

Regent Mohs, Chair, indicated that the working group's final report will present a framework incorporating a definition of a quality education and its indicators, as well as a discussion of the relationship of access to quality. In that regard, the group had determined that it is possible to have a state university system that provides a quality education but does not provide access to all qualified students. This concept, he indicated, would provide the underpinning for an unfortunate, but possibly necessary, reduction in the size of the university.

While not directly related to quality, the group also concluded that there is a compelling public interest in providing access to qualified students regardless of income. Therefore, at a time when the cost of higher education increasingly is being shifted to students and their families, the group proposed increasing financial aid to allow the university to serve qualified students irrespective of financial need.

Once academically qualified students have access to the university, Regent Mohs continued, it is necessary to ensure that their education is one of quality, which requires qualified faculty and ready access to those faculty. The working group's budget recommendations were as follows:

1. Increase financial aid.
2. Attract and retain quality faculty. In that regard, it must be recognized that the university is in a national market, to which financing of faculty salaries must be related.
3. Enhance academic and career advising services. Advising resources have diminished in recent years as the number of students being served has increased to the point at which students are not receiving the advising they need.
4. Stop the bleeding of funding from, and expand, library and technology resources. At this point the university can no longer afford to subscribe to many journals and periodicals that are needed by students and faculty. Excellent great library and technology resources are of critical importance to having a first rate university.



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5. Establish an educational quality investment fund in order both to save money in the long run and to improve education.

In discussion of its final report, the working group agreed that numeric goals are needed in such areas as per student GPR support, faculty/student ratios, and percentage of students engaged in undergraduate research with a professor. These goals will help to explain what the university can do if it has adequate resources and what it cannot do if the money is not there. The group planned to meet again to review this document.

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### **Research and Public Service Working Group**

Regent Davis, Chair, reported that the working group's budget recommendations begin with acknowledgement that the 21<sup>st</sup> century economy will be knowledge-based, that university research offers brain gain jobs and ensures a dynamic economy for the state, and that the UW System and UW-Madison have a strong national reputation and great success in attracting research funding. UW institutions brought \$590 million in federal and private research funding to Wisconsin in 2001-02 alone, and the UW's annual impact on the state's economy is \$89.5 billion annually. University research leads to the creation of new companies and an increase in the number of technology-related jobs.

For 2005-07, the working group's recommendations focused on two areas:

1. Strategically rebuild the UW faculty with the capacity to conduct research in areas of national and state need, including greater recognition and reward for faculty whose research serves national, state, regional and local needs.
2. Address infrastructure needs on the campuses. To enhance research capacity, these needs include funding to retain researchers and respond to increasing competition of outside offers, release time, summer salaries, training for faculty and staff, additional remodeled research space on campuses, supply and expense funding, and enhanced library resources.

The working group also suggests a recommendation in the area of diversity for the entire Charting a New Course project. The working group heard from the business community about the need for a diverse work force that is not being met by graduates from the UW System. Two strategies are recommended: 1) to increase financial aid, particularly grants to low-income students, with a proposal included in the 2005-07 budget; 2) Replication of successful pre-college program models, like PEOPLE, at all UW institutions as quickly as possible to help ensure success among African American, American Indian, Asian American, Hispanic, and disadvantaged students and encourage them to remain in Wisconsin.

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Other recommendations, some for future biennia, include:

1. Create infrastructure at the system level to encourage faculty and staff collaboration across campuses and disciplines to prepare competitive research proposals for federal and state government and private entities. This includes collaboration across the system, with communities, and with the private sector.
2. Create a Wisconsin Research Opportunities Fund to be used for development of federal grants and to provide federal matching funds and/or business research partnerships.
3. To promote brain gain and economic development, establish collaborative efforts, with support beginning in the next biennial budget, to enhance access to higher education for underserved Wisconsin residents and to provide for workforce development. Three such areas are:
  - a. A Center for Adult Access, through collaboration of the UW Colleges, UW Extension and the Technical College System.
  - b. The UW-Stout Technology Proposal, a joint effort with the Technical College System to provide workforce education, development and solutions; transform curriculum and delivery systems; and secure a state/national leadership role in technology education, service and business processes.
  - c. The Northeast Wisconsin Educational Resource Alliance (NEW ERA), a consortium of partners from the 13 public colleges and universities in northeast Wisconsin to provide educational resources for communities, businesses and local government to drive regional economic development and stability.

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### **Partnership with the State Working Group**

Regent Walsh, Chair, reported that the working group dealt with two major issues, one being access to the university for all qualified students, recognizing that the creative mind knows no income levels, and the other having to do with communications with the Legislature and Executive Branch.

With regard to the matter of access, the working group adopted three policy goals for financial aid:

- Ensure equal access to a UW institution for all qualified Wisconsin high school graduates, regardless of income;
- Reduce financial barriers for low-income UW students, allowing them to remain in school and complete their degrees in a timely fashion; and

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- Use financial aid incentives to encourage UW graduates to work in Wisconsin after graduation.

With regard to those goals, Regent Walsh pointed out that, in the last five years, the percentage of low-income students in the UW has decreased from 13.7% to 11.2%. In addition, auxiliary operation reserves were used to provide financial aid in the 2003-05 budget, a source that no longer is available.

The working groups budget recommendations are:

1. Support a HEAB budget request for \$45 million in GPR to ensure that the financial aid provided in the 2003-05 budget with auxiliary reserve funds is replaced with GPR on an ongoing basis.
2. Request UW System GPR funds of \$12.6 million to increase financial aid for the AOP and Lawton Grant programs at the same rate that tuition increased in the prior years, as required by statute. It is estimated that HEAB will need to request \$15 million GPR biennially for this purpose.
3. Request UW System GPR funds of \$14.1 million to create a new grant program for the lowest income students that would match tuition increases dollar for dollar.

The total UW System budget request would be \$26.7 million.

With regard to the matter of communications with the Legislature, Regent Walsh noted that there are competing constituencies for scarce state dollars and that communications must be improved in order to deal with the situation. Some ideas suggested by the working group include:

- Having more public hearings;
- Having more campus activities;
- Outsourcing some legislative communications;
- Engaging the alumni network;
- Formalizing a process with the Legislature.

Concerning the last point, he reported that meetings had been held with Senators Darling and Harsdorf and their staffs. It was clear, he indicated, that all are working for what is best for the State of Wisconsin and that people could disagree in good faith about how best to get there. Future meetings will be planned, with the goal of formalizing a process of communication. This, he noted, will require continued commitment and individual responsibility on the part of members of the Board.

Other suggestions were:

- To invite the Governor to provide input to the Board at an early point, which is best done in person;

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- To ask the Joint Finance Committee to co-chair a public hearing on the needs of the university, in order to give the public a forum to speak and a platform for the media to report on the matter;
- To establish a mechanism to communicate regularly and partner with the Governor and Legislature on strategies.

In concluding remarks, Regent Gottschalk noted consistencies emerging from the recommendations with regard to access, quality, and service to the state, specifically in the area of providing adequate financial aid, maintaining quality faculty and instruction, and enhancing diversity.

In keeping with the budget process, no formal action would be taken on these recommendations at this time, but they would be available for President Marcovich to use in discussions that will lead to a formal budget submission.

Expressing appreciation to all who have participated in Charting a New Course, Regent Gottschalk noted that the full report will be available in the coming months. In the meantime, he urged reflection on each of the budget recommendations with an eye on how to best serve current and future students and to realize the UW's potential as one of the greatest systems of public higher education in the world. Stating that he looked forward to working together to meet that challenge, he referred to the state motto, which shows that the direction is "Forward!"

Stating his appreciation to the working groups, Regent President Marcovich indicated that the budget recommendations will be useful in his talks with the Governor and legislative leadership. In that regard, he noted that he has started one-on-one discussions with legislative leaders to let them know how interested the Board is in maintaining communications with them, and he has received an excellent reception from everyone with who he has spoken.

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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. Meeting in joint session with the Physical Planning and Funding Committee, Assistant Vice Chancellor Alan Fish reported on the update of the UW-Madison East Campus Plan

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### **Implication of the Taxpayer Bill of Rights (TABOR) on the UW System**

Representative Greg Underheim spoke to the committee regarding several versions of the Taxpayer's Bill of Rights. His proposal was based on three principles:

- That state spending limits be based on Wisconsin resident's increases in personal income rather than the cost of living, consumer price index and other indices;
- That any tax rate increases would need approval by public referendum;
- And, that the State of Wisconsin be required to follow generally accepted accounting principles.

In response to a question by Regent President Marcovich, Representative Underheim stated that federal dollars, gifts and grants are excluded from spending caps, but tuition would be included in the spending cap.

Regent Bradley moved adoption of the following resolution which was seconded by Regent Davis.

#### **Parity Pay Plan Request**

Resolution	Whereas, in accordance with s. 230.12(3)(e) Wis. Stats., a 2003-05 plan for university unclassified faculty and staff compensation and benefits adjustments has been approved by the Legislature's Joint Committee on Employment Relations; and,
	Whereas, any modification to that approved pay plan must be adopted through the process outlined in s. 230.12(3)(e) Wis. Stats.; and,
	Whereas, the Board of Regents adopted by resolution a 2003-05 pay plan request for faculty, academic staff, and university senior executives that despite identifying a need for a 4% pay increase each year of the biennium, recognized the financial difficulties of the State and UW System and requested compensation adjustments "up to" the needed amounts "to the full extent of funds available in the compensation reserve"; and,
	Whereas, the 1% pay plan approved for faculty and academic staff in 2004-05 is now known to be less than the full extent of funds available; and,

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Whereas, the Board of Regents adopted by resolution a 2003-05 request that “UW System faculty, academic staff, and university senior executives be asked to contribute to state group health insurance at the same levels that will be applied to all other state employees”; and,

Whereas, it is now known that health insurance premium contributions made by university unclassified staff are higher than the contribution rates applied to other state employees; and,

Whereas, the Board of Regents endorses state group health insurance for domestic partners of all state employees, funded from the compensation reserve in the same way as for all other state employees; and,

Whereas, the Board of Regents endorses the State of Wisconsin’s recognition of Veteran’s Day by adding a personal holiday to the paid leave credits granted to other state employees.

Now, therefore;

Upon the recommendation of the UW System President, and pursuant to s. 230.12(3)(e) Wis. Stats., the Board of Regents directs the UW System President to notify the Governor and the Legislature that the UW System seeks to obtain a 2003-05 compensation and benefits adjustments plan for faculty, academic staff, non-represented graduate assistants, and university senior executives that is in substantial parity with other state employee groups. The Board directs the UW System President to transmit to the Director of the Office of State Employment Relations, a request that the Director recommend to the Joint Committee on Employment Relations a university unclassified pay plan modification to obtain a general salary increase (1.35%) for faculty, academic staff, and university senior executives that is equivalent to the 1% plus \$0.10 per hour general wage adjustment approved for other state employees in 2004-05, that allows full-time faculty and academic staff to receive a lump sum payment of \$250 and non-represented graduate assistants to receive a \$125 lump sum payment, that allows academic staff salary ranges to be increased by

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up to 1.35% and that increases university senior executive salary group ranges 1 and 2 to competitive levels, and that allows faculty, academic staff, non-represented graduate assistants and university senior executives to contribute to state group health insurance at the same premium levels charged to other state employees.

Further, the Board of Regents requests that group health insurance premiums for partners of University of Wisconsin System employees be funded from the compensation reserve in the same way as for all other state employees.

Further, the Board of Regents amends Regent Policy 96-2 to provide full-time faculty, academic staff, and limited appointees with 3 and ½ days of paid leave each fiscal year and one additional day of paid leave each fiscal year in recognition of Veteran's Day as non cumulative personal holidays to be scheduled and taken as determined by the institution and to provide less than full-time unclassified staff a prorated share of all personal holidays based on the percent of appointment.

Regent Bradley reported that the committee considered a resolution to direct the President of the UW System to notify the Governor and Legislature that the UW System seek a 2003-05 compensation and benefit adjustment for employees in parity with what other state employee groups receive. Janice Czynson, a UW-Madison employee, provided sound rationale to the committee regarding why employees should not be treated differently based on their status and their domestic partner arrangement. She explained that this is an issue of treating employees fairly and encouraged the Board to be advocates for providing this benefit.

Regent Gottschalk moved to amend the resolution by changing the wording to the next to last paragraph to read "Further, the Board of Regents request that group health insurance premium for domestic partners of University of Wisconsin System employees be funded from the compensation reserve in the same way as for all other state employees."

Seconded by Regents Richlen and Amato, the motion was adopted on a voice vote with Regent Mohs voting in opposition.

**REVISED: Parity Pay Plan Request**

Resolution 8817: Whereas, in accordance with s. 230.12(3)(e) Wis. Stats., a 2003-05 plan for university unclassified faculty and staff compensation and benefits adjustments has been

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approved by the Legislature's Joint Committee on Employment Relations; and,

Whereas, any modification to that approved pay plan must be adopted through the process outlined in s. 230.12(3)(e) Wis. Stats.; and,

Whereas, the Board of Regents adopted by resolution a 2003-05 pay plan request for faculty, academic staff, and university senior executives that despite identifying a need for a 4% pay increase each year of the biennium, recognized the financial difficulties of the State and UW System and requested compensation adjustments "up to" the needed amounts "to the full extent of funds available in the compensation reserve"; and,

Whereas, the 1% pay plan approved for faculty and academic staff in 2004-05 is now known to be less than the full extent of funds available; and,

Whereas, the Board of Regents adopted by resolution a 2003-05 request that "UW System faculty, academic staff, and university senior executives be asked to contribute to state group health insurance at the same levels that will be applied to all other state employees"; and,

Whereas, it is now known that health insurance premium contributions made by university unclassified staff are higher than the contribution rates applied to other state employees; and,

Whereas, the Board of Regents endorses state group health insurance for domestic partners of all state employees, funded from the compensation reserve in the same way as for all other state employees; and,

Whereas, the Board of Regents endorses the State of Wisconsin's recognition of Veteran's Day by adding a personal holiday to the paid leave credits granted to other state employees.

Now, therefore;



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Upon the recommendation of the UW System President, and pursuant to s. 230.12(3)(e) Wis. Stats., the Board of Regents directs the UW System President to notify the Governor and the Legislature that the UW System seeks to obtain a 2003-05 compensation and benefits adjustments plan for faculty, academic staff, non-represented graduate assistants, and university senior executives that is in substantial parity with other state employee groups. The Board directs the UW System President to transmit to the Director of the Office of State Employment Relations, a request that the Director recommend to the Joint Committee on Employment Relations a university unclassified pay plan modification to obtain a general salary increase (1.35%) for faculty, academic staff, and university senior executives that is equivalent to the 1% plus \$0.10 per hour general wage adjustment approved for other state employees in 2004-05, that allows full-time faculty and academic staff to receive a lump sum payment of \$250 and non-represented graduate assistants to receive a \$125 lump sum payment, that allows academic staff salary ranges to be increased by up to 1.35% and that increases university senior executive salary group ranges 1 and 2 to competitive levels, and that allows faculty, academic staff, non-represented graduate assistants and university senior executives to contribute to state group health insurance at the same premium levels charged to other state employees.

Further, the Board of Regents requests that group health insurance premiums for domestic partners of University of Wisconsin System employees be funded from the compensation reserve in the same way as for all other state employees.

Further, the Board of Regents amends Regent Policy 96-2 to provide full-time faculty, academic staff, and limited appointees with 3 and ½ days of paid leave each fiscal year and one additional day of paid leave each fiscal year in recognition of Veteran's Day as non cumulative personal holidays to be scheduled and taken as determined by the institution and to provide less than full-time unclassified staff a prorated share of all personal holidays based on the percent of appointment.

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**Trust Funds Acceptance of Bequests**

Regent Bradley expressed delight and appreciation to the granddaughter of the Herfurth family, who attended the committee meeting, for a tremendous gift of over \$5 million to the UW-Madison Department of History and the History of Science Department. Theodore Herfurth, Regent Bradley noted, researched the famous 'Sifting and Winnowing' phrase inscribed on the bronze plaque in front of Bascom Hall and determined Charles Kendall Adams, a former President of the University, as its author.

On behalf of the committee, Regent Bradley moved adoption of the following resolution as a consent agenda item. It was seconded by Regents Randall and Gottschalk and it carried unanimously.

**UW System Trust Funds Acceptance of Bequests**

Resolution 8818: 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.

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**UW-Madison Extramural Research Support**

Regent Bradley pointed out that Martin Cadwallader, Dean of the UW-Madison Graduate School and Vice Chancellor for Research, stated that UW-Madison ranks third nationally for total research and development expenditures and second in the country for graduate enrollment and PhD degrees. UW-Madison received \$583 million in research awards in 2002-03. Total federal research awards totaled \$422 million, which has doubled in the last 10 years. Non-federal research awards totaled \$161 million and

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included gifts from the Wisconsin Alumni Research Foundation, the UW Foundation, and business and industry.

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

Vice President Debbie Durcan stated that the Legislative Audit Bureau indicated the UW System will receive a draft of their administrative audit report by the end of April. Due to shortfalls in utility funding because of significant increases in utility prices, as well as new construction, Ms. Durcan reported that the current estimate for fiscal year 2004 is a shortfall of \$13 million. A \$13.10 million request will be submitted to the Joint Finance Committee for this years shortfall in utility expenses.

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### **Proposed Taxpayers Bill of Rights**

In response to a question by Regent Davis, Regent Bradley said that the Business and Finance Committee made no recommendation at this time on a proposed Taxpayer Bill of Rights. Representative Lasee had spoken with the committee concerning his bill to which two possible amendments had been drafted; Speaker Gard informed the committee of his view that a TABOR proposal would pass; and Representative Underheim had discussed another proposal. Noting that all the proposals involve a constitutional amendment to limit spending, Regent Bradley pointed out that many of the recommendations emerging from the Charting a New Course study would require investments in order for the university to serve students and the state. Referring to Colorado's experience with TABOR, he cautioned that similar spending limitations in Wisconsin would result in the UW's eventual demise as a public tax-supported institution. At this time, however, he noted that there is no specific bill on which to take a position.

Regent Walsh stated his conviction that the Board of Regents should make known its position on the issue at this time, noting that there could be a special legislative session on the matter before the next Board meeting. While a special meeting could be called, he considered it vitally important that the Board not be viewed as neutral on this issue if the university is to promote economic growth in the state. As a constitutional amendment, he pointed out, the TABOR proposal would substitute standards and rules for legislative decision making and would further constrict investment in higher education. While he did not doubt that the proposals have been made in good faith, he stated that they would impact the university more than anyone imagines and that the Board needs to have a voice in the discussion.

While he agreed with the need to take a position, Regent President Marcovich noted that currently there is no specific language that can be read and understood before acting.

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Regent Walsh commented that he saw nothing in any drafting of the bill that would be favorable to the university and that it would be a mistake for the Board to permit the perception that it is neutral on this matter.

Indicating that he would like to see the bill in its final form, Regent President Marcovich said that he would be willing to call a special meeting of the Board or the Executive Committee when the language of the bill was decided and that he would favor taking a strong position at that time.

Asking that the matter be brought to the full Board, rather than the Executive Committee, Regent Connolly-Keesler noted that all Regents have a strong interest in the issue and many have been in contact with their legislators. She agreed with Regent Walsh's preference not to wait for a final bill before addressing the matter and suggested that Regents begin talking to legislators now about the major concerns. She saw nothing in any of the proposals that would be favorable to the university's future.

Stating agreement with Regent Walsh, Regent Amato, President of the WTCS Board, reported that his board also is discussing the matter and that, if anything like the Colorado model is proposed, it would be a disaster for K-12 education, the Technical College System and the UW System. He suggested that the Board of Regents and the WTCS Board might meet jointly to have additional discussion about the issue.

Regent Pruitt stated the importance of having a sense of urgency about countering the TABOR proposals before they develop unstoppable momentum.

Regent Burmaster, State Superintendent of Public Instruction, agreed, indicating that the PK-16 system should have a response and that the three systems could work together on this matter.

Regent Rosenzweig agreed that the Board should make a strong statement but had reservations about when that should be done. She suggested that the Board's position might be strengthened by learning more about each of the proposals and talking with legislators about their impacts. At this point, she understood that the Legislature was not tied to a particular proposal. She advised that some time be taken to refine the Board's position and to learn the specific effects of each proposal, after which it would be timely for the Board to act formally on the matter.

Regent Marcovich agreed that, rather than simply taking a position against TABOR, it would be more effective to take the bill that is eventually represented and demonstrate specifically what would happen to the university under that bill.

Regent Walsh reiterated that the word should go out that the Board is not neutral about this matter. He did not think it would be effective to take a position in a special meeting on a bill that legislators have already agreed to in caucus for introduction into an extraordinary session. He considered it important for the Board to discuss the impacts of TABOR so that the media could report the Board's reaction and that no one could say that the university is not opposed to it. Noting that the proposal's proponents are doing

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what they think is best for the state, he said the Regents need to be heard in a rational, not a critical, voice explaining why they disagree with it.

Regent Mohs agreed that the sponsors of the proposals are trying to do what they believe is right. Noting that the Board's leadership can communicate effectively with legislative leaders and the public that the Regents consider TABOR an extremely damaging concept, he agreed with Regent Marcovich that the Board's response would be better timed if a special meeting were called to react to a specific bill.

Regent Davis suggested that the Board act both now and later. She felt the Regents owed it to their constituencies and the public to be heard on this matter and that there is no version of TABOR that is in the best interests of the university and its students. She also supported treating it as a PK-16 matter and sending a message of unity that the proposal is harmful to all segments of education. It was her opinion that action should be taken at this time in order to attempt to influence the direction of the issue and also be taken when the specifics of the bill become known. She agreed with Regent Walsh that the perception should not be allowed that the Board is open to these proposals.

Regent Marcovich said he was not opposed to taking a position at this time on the general principle of TABOR, as long as the Board also speaks out about effects on the university of a specific bill that is introduced, so that its impacts are clearly understood.

Regent Olivieri suggested that, if action were taken at this meeting, the Board might say that it objects to the proposals that have been presented so far and that the Board is concerned that even proposals that would exempt the UW might adversely effect the university because of the interconnectedness of public education in the state.

Regent Olivieri put that statement in the form of a motion which was seconded by Regent Davis.

Noting that this is a serious and highly charged political issue, Regent Gottschalk agreed with holding a special meeting and taking action at that time, but he cautioned against taking a position before seeing the specific language of the bill. While he had not seen any benefit to the university of any of the proposals put forward, he felt that taking a strong stand against the concept at this time would not be in the interest of preserving positive relationships with good-hearted people on both sides of the isle. In the meantime, he suggested that alternatives to a constitutional amendment be introduced into the public and political mainstream, such as a comprehensive review of the state's tax policy, as was proposed at a recent Economic Summit. Therefore, he intended to vote against the motion.

Stating that she would vote in support of the motion, Regent Burmaster noted that, through Charting a New Course, all agreed that the state's education system is the foundation of future economic security. While some viewed a constitutional amendment as a means of solving the state's fiscal crisis, the Board believed that investment in education is an important means of addressing that crisis. Therefore, she felt it was the Board's responsibility as educational leaders to state its position on the matter.

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In response to a question by Regent Olivieri, Vice President Weimer noted that there have been many discussions about TABOR with legislators, not only in the Board's committee meetings, but also through individual discussions with legislators by regents, chancellors and others. She thought it was well understood in the Legislature that the university has great concerns about TABOR and its implications, particularly considering the Colorado experience. While it would come as no surprise if the Board were to speak on this matter, she considered it important to maintain positive discussion and dialog with legislators about the issue. In that regard, she noted that the media would thoroughly cover the Board's discussion and that, whether or not a resolution were adopted, it would be clear that the regents have grave concerns about TABOR. It is important, she said, to go forward as a team with legislators, the Governor and partners in education to do what is best for the state in the long run.

Regent Axtell asked if the bill could move so swiftly that there would not be time to call a special meeting and Regent Walsh replied in the affirmative.

Regent Axtell expressed concern about voting on the matter without knowing the specific provisions.

Noting that the resolution expresses the Board's concern about proposals seen so far, Regent Walsh said it is clear that those proposals would be damaging to the university. When the bill was in final form, the Board could act on its specific language. In the meantime, he considered it important to send the message that the Board is not neutral on this issue.

Regent Amato concurred with the sense of urgency about the issue and thought the motion addressed the matter in a diplomatic way. If the Board did not take a position at this time, all the institutions would be hurt, he predicted, adding that a special meeting could be called once a final bill is introduced.

In response to a question by Regent Marcovich, Regent Amato said that the WTCS Board is very concerned about the matter and will have a special meeting about it.

Regent Randall cautioned that the public should be advised that the Board is sensitive to the desire for taxpayer relief in making its statement about the TABOR proposals.

Regent Bradley added that the state should understand the Board does not object to limitations on spending or getting state expenditures in line with ability to pay. He suggested that the resolution articulate that the concern is about a constitutional amendment that would put the state in a strait jacket and would not allow reasonable people to negotiate how to address changing circumstances.

While he could support the statement made by Regent Bradley, Regent Axtell said his discomfort was in voting on an issue when the details were not known.

Regent President Marcovich observed that Regent Bradley's comments were not inconsistent with the motion, but rather provided a further explanation of the Board's position. It was agreed that "Whereas" clauses would be included in the motion to provide that explanation.

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Regent Rosenzweig noted that, since the proposal is a constitutional amendment, any bill passed by this Legislature must be passed in identical form by the next Legislature, before being put on a ballot for decision by the voters. Stating her support for the motion, she emphasized that the Board would have continuing responsibilities as the process moves forward to educate people about the consequences that would occur if the amendment were to pass.

Regent Pruitt suggested adding a list of questions provided to the Board about TABOR for attachment to the resolution because they raise many of the issues and underscore the reasons for the Board's grave concern about the direction of this legislation.

Regent Axtell indicated that he could support the motion if the suggested "Whereas" clauses were added. When the bill is in final form, he favored calling a special meeting, if time permits, to deliberate on the exact language of the proposal.

Regent Olivieri presented the following resolution containing his original motion and including explanatory clauses. The resolution was adopted on a voice vote, with Regent Gottschalk voting in opposition.

Resolution 8819:           WHEREAS, the University of Wisconsin System shares in the commitment to control spending in the State of Wisconsin and has, in fact, contributed by reducing its GPR spending in this biennium; and

WHEREAS, the University of Wisconsin Board of Regents believes that the development of state funding limits is a process that requires ongoing communication, and board members, the president, chancellors and UW staff have been discussing such proposals with legislators; and

WHEREAS, all such proposals so far advanced have involved a constitutional amendment to limit state spending which, as we have seen experienced in other states, would limit the state's ability to invest in education which is critical to state economic growth;

NOW THEREFORE BE IT RESOLVED THAT

The UW Board of Regents expresses its grave concern about the proposals that have so far been advanced to its members, and the board expresses further grave concerns with regard to proposals that might exempt the University of Wisconsin System but would negatively impact other components of public education and spending which would, in turn, negatively impact the University of Wisconsin System.

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## **REPORT OF THE EDUCATION COMMITTEE**

Regent Olivieri, Chair, presented the report of the Education Committee.

### **National Poetry Month**

In recognition of National Poetry Month, UW-Madison Professor Amy Quan Barry, an award-winning poet, was invited to read her poems to the committee. Regent Olivieri remarked that one of the experiences he has found to be most rewarding as a Regent is the opportunity to interact with outstanding faculty in the UW System.

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### **Report on Orientation Programs and Information Provided to Students on Sexual Assault and Sexual Harassment**

Regent Olivieri pointed out that this report is a statutory requirement which is submitted annually to the Legislature. The report includes statistical information on the number of assaults reported to institutional officials, in addition to statutorily required information on education and prevention efforts; and it summarizes the best practices and efforts in programming and service that institutions have undertaken to inform students and support victims of sexual abuse.

National research studies as well as studies at UW System institutions indicate that sexual assault is a severely under-reported crime. Regent Richlen pointed out that campuses that have anonymous reporting may have a better opportunity to get more accurate reports.

Senior Vice President Marrett, Regent Olivieri continued, is developing a workshop in collaboration with the Wisconsin Coalition Against Sexual Assault for all system institutions to discuss and share the research and prevention programs currently being piloted across the system.

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### **Update NCA Accreditation Report and Institutional Report on General Education, UW Colleges**

Regent Olivieri reported that the UW Colleges received a maximum 10 year accreditation from North Central Association.



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Noting that the graduation rate for students attending two year colleges and then transferring to four year institutions is a very high 81%, Regent Olivieri commended the UW Colleges for their success.

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### **2002-03 Minority and Disadvantaged Report**

The Minority and Disadvantage Report is a statutory report which deals with funding for pre-college programming, recruitment and retention plans.

Of the \$35 million spent in these efforts, Regent Olivieri stated that 62% is used for retention purposes, 22% for pre-college programs, and 16% for recruitment. Additional GPR money that specifically goes to these programs is budgeted at \$7.3 million, with another \$7 million in allocations to fund some of these programs.

The committee stressed the following dominant points:

- Plan 2008 is just one part of the diversity plan;
- The plan defies easy solutions to complicated issues (i.e. access, recruitment, retention, graduation, funding), and more data is needed;
- The system's commitment to diversity is urgent and efforts for greater success is imperative;
- Retention is where the focus needs to be in Phase II of Plan 2008.

Regent Olivieri stressed the importance of this issue and the commitment of the UW System to make it a success.

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### **Approval of Requests to the Vilas Trust**

The committee approved the Vilas Trust recommendations which provides significant contributions to UW-Madison and UW-Milwaukee. The Vilas Trust designates funds for undergraduate and graduate scholarships and fellowships, named professorships, research funding, and certain building projects.

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### **UW-Milwaukee Charter School Proposal**

The UW-Milwaukee Charter School proposal, which is their seventh charter school, was approved by the committee. The Capitol West Academy is a well-designed option for elementary and middle-school aged children with behavioral problems. Regent Olivieri pointed out that the committee suggested that UW-Milwaukee become more

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engaged with the Charter Schools as a student teaching experience and/or service component.

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### **UW-Whitewater Faculty Personnel Rule Changes**

Regent Olivieri reported that the committee approved the UW-Whitewater Faculty Personnel Rule changes, which had been reviewed by the System General Counsel.

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### **UW System Appointments to the Natural Areas Preservation Council**

Appointments were approved by the committee to the Natural Areas Preservation Council, which is a legislatively mandated board to the Wisconsin DNR's State Natural Areas Program..

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### **Authorization to Expand UW-Extension's Board of Visitors**

The committee approved expanding UW-Extension's Board of Visitors from 15 to 21 participants. Extension's statewide presence and reach, Chancellor Reilly pointed out, requires a larger Board of Visitors.

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The following resolutions were presented as consent agenda items. Regent Olivieri moved their adoption by the Board of Regents. The motion was seconded by Regent Davis and it passed on a voice vote with no dissenting votes.

### **Implementing s.3611(22)(b), Wis. Stats., Relating to Information Provided to Students On Sexual Assault and Sexual Harassment**

Resolution 8820:                   That, upon recommendation of the President of the University of Wisconsin System and pursuant to 1989 Wisconsin Act 177, s.36.11(22)(b), Wis. Stats., the Board of Regents hereby accepts the report on implementation of the Act (the report on orientation programs and information provided to students on sexual assault and sexual harassment) and directs that the report be submitted to the Chief Clerk of each house

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of the Legislature for distribution to the appropriate standing committees under s.13.172(3).

**Minority and Disadvantaged Student Annual Report**

Resolution 8821: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents accepts the 2002-2003 Minority and Disadvantaged Student Annual Report for submission to the Governor and to the Chief Clerk of each house of the Legislature, pursuant to s.36.25 (14m) (c), Wisc. Stats., for distribution to the appropriate standing committee under s.13.172 (3) Wisc. Stats.

**Requests to Trustees of the William F. Vilas Trust Estate**

Resolution 8822: 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 approves the request to the Trustees of the William F. Vilas Trust Estate for \$5,351,390 for fiscal year July 1, 2004 to June 30, 2005, subject to availability, 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.

**Revisions to Faculty Personnel Policies and Procedure University of Wisconsin-Whitewater**

Resolution 8823: That, upon recommendation of the Chancellor of the University of Wisconsin-Whitewater and the President of the University of Wisconsin System, the Board of Regents approves the revisions to the UW-Whitewater Faculty Personnel Policies and Procedures.

**Approval of Appointments to Natural areas Preservation Council**

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Resolution 8824: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the appointments of three University of Wisconsin System representatives to the Natural Areas Preservation Council.

**Authorization to Expand University of Wisconsin-Extension Board of Visitors**

Resolution 8825: That, upon recommendation of the Chancellor of the University of Wisconsin-Extension and the President of the University of Wisconsin System, the Board of Regents authorizes the expansion of the UW-Extension Board of Visitors to twenty -one members.

Regent Randall requested a motion to remove Resolution 8826 from the consent agenda due to a conflict of interest. Regent Burmaster seconded the motion and it passed with Regent Randall abstaining.

**The University of Wisconsin-Milwaukee Center for Charter Schools Contract With the Capitol West Academy, Inc.**

Resolution 8826 That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approves the charter school contract with the Capitol West Academy, Inc.

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

Regent Salas, Vice Chair, presented the report of the Physical Planning and Funding Committee.

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**UW-Madison: East Campus Plan Update**

Alan Fish, Assistant Vice Chancellor, UW-Madison, provided a UW-Madison east campus plan update to the Physical Planning and Funding Committee and the Business and Finance Committee. The plan includes development of University Square and Park Street, an addition to the Grainger Hall School of Business, Dayton Street housing development and a multi-phase development of the Arts and Humanities Building.

Mr. Fish pointed out the existing 770 bed shortage of housing for freshmen students. Construction of new residence halls will improve housing facilities while providing an adequate supply of housing for first-year students. Families, he continued, want the assurance that their freshmen can live on campus with the convenience of the programs offered in residence halls. Mr. Fish also informed the committee that residence hall costs at UW-Madison are the lowest in the Big Ten.

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**Report of the Assistant Vice President**

Jim Albers, Acting Director of Capital Planning and Budget, reported the Building Commission approved about \$15 million for various projects at their meeting in March. Mr. Albers noted that the legislature passed SB-474 which enumerated four UW-System projects as additions to the 2003-05 building programs. These include the UW-Madison School of Business Graduate School Facility; the UW-Madison Ogg Residence Hall Replacement; the UW-Oshkosh Taylor Hall Renovation, and UW-River Falls Hunt Arena and Knowles Physical Education and Recreation Center Addition and Renovation.

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Regent Salas moved adoption of the following resolutions as consent agenda items. The motion was seconded by Regent Randall and it carried unanimously.

**Authority to Purchase Equipment and to Substitute One Funding Source for Another, UW-Extension**

Resolution 8827: That, upon the recommendation of the UW-Extension Chancellor and the President of the University of Wisconsin System, authority be granted to: (a) purchase equipment for three Wisconsin Public Radio (WPR) stations at a total estimated cost of \$480,000 (\$205,000 General Fund Supported Borrowing, \$205,000 Grant Funds, and \$70,000 Institutional Funds) contingent

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upon approval of grant funding and (b) substitute grant funding for Institutional funding should additional grant funding become available.

**Authority to Lease Sites and Allow for USDA Demolition and Construction at the Marshfield Agricultural Research Station, UW-Madison**

Resolution 8828: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted:

- (a) for the officers of the Board of Regents to lease building sites at the north and south elements of the UW-Madison Marshfield Agricultural Research Station (ARS), Marshfield, Wisconsin to the United States Department of Agriculture (USDA), through June 30, 2028,
- (b) to allow the USDA to demolish an existing dairy barn, milk house, and eight silos at the south site and construct and own a new laboratory/office building to house the Institute for Environmentally Integrated Dairy Management (IEIDM) which is a federal, state and university partnership, and
- (c) to allow the USDA to construct and own the balance of the heifer research facilities at the north site.

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**UNFINISHED OR ADDITIONAL BUSINESS**

**UW-Stevens Point Wins Athletic Honors**

President Lyall congratulated the UW-Stevens Point men’s basketball team on winning the Division III national championship, the women’s hockey team for winning second place, and the women’s basketball team for coming in fourth.

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## CLOSED SESSION

The meeting was recessed at 11:55 a.m. and reconvened at 12:15 p.m., at which time the following resolution, moved by Regent Walsh and seconded by Regent Bradley, was adopted on a unanimous roll-call vote, with Regents Walsh, Salas, Rosenzweig, Richlen, Randall, Pruitt, Olivieri, Mohs, Marcovich, Gottschalk, Burmaster, Bradley, Axtell, and Amato (14) voting in the affirmative. There were no negative votes and no abstentions.

Resolution 8829: That, the Board of Regents recess into Closed Session, to consider Personal Histories of Finalists and Appointment of a UW-Stevens Point Chancellor, as permitted by s.19.85(1)(c), *Wis. Stats.*, and to confer with Legal Counsel concerning pending and potential litigation, as permitted by s.19.85(1)(g), *Wis. Stats.*

The Board arose from closed session at 12:45 p.m., having adopted the following resolution:

### **UW-Stevens Point: Authorization to Appoint Chancellor**

Resolution 8830: That, upon recommendation of the Special Regent Committee and the President of the University of Wisconsin System, Dr. Linda Hunt Bunnell be appointed Chancellor of the University of Wisconsin-Stevens Point, effective June 1, 2004 at an annual salary of \$172,500.

The meeting was adjourned at 12:45 p.m.

Submitted by:

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Judith A. Temby, Secretary