

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison

Held in the Pyle Center, in Room 325/326

Thursday, February 5, 2004

2:00 p.m.

- President Marcovich presiding -

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

ABSENT: Regent Davis

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**UW-PLATTEVILLE REGIONAL ENROLLMENT PLAN**

In introductory remarks, Vice President Durcan recalled that the UW-Platteville's regional enrollment plan initially was presented to the Revenue and Other Opportunities working group as part of the Charting a New Course study. The working group was enthusiastic about the plan and recommended that it go forward for action by the Board of Regents. In December, the Business and Finance Committee and the Physical Planning and Funding Committee heard a first reading of the plan. Even though the program does not begin until the fall of 2005, action by the Board is requested at this time so that recruitment can begin among high school juniors who will be making college decisions in the coming months.

UW-Platteville Provost Carol Sue Butts introduced Steve Zielke, Vice Chancellor for Business Affairs, John Krogman, Assistant Vice Chancellor for Information Services, Mark Evanson, Faculty Senate Chair, and Alan Halfen, President of the Student Senate.

Presenting the plan, Provost Butts noted that it is based on Governor's studies that have identified workforce needs in the state and that it also would have a significant economic growth impact on southwest Wisconsin, which currently is an economically depressed area.

The proposal is to recruit students from Illinois and Iowa, targeting specific professional areas that would meet workforce needs in Wisconsin, such as engineering, computer science, software engineering, business, construction management, and agri-business. Over a period of seven years, the plan is to grow the campus by 2,000 students from those neighboring states.

The students would pay in-state tuition, plus a premium of \$4,000 per year, an amount which could be adjusted after the first two years. This funding would pay for salaries and fringe benefits of the faculty and support staff needed to implement the program. It also would cover additional facilities needed on campus for the programs and would include a contingency fund to be used in case of fluctuations in enrollment.

Noting that 80% of UW-Platteville students find their first job in Wisconsin, she indicated that the target would be that at least 50% of students coming from Illinois and Iowa would stay in Wisconsin for their first jobs.

The total cost to students, including the premium, would be competitive with colleges and universities in Iowa and Illinois. In the 1970s, she noted, 30% of UW-Platteville students came from those two states; but that number is now down to 15%. With regard to the campus' ability to absorb 2,000 additional students, she indicated that the campus was designed for 10,000 – 12,000 students and has enough land to expand facilities as needed. The proposal would include a four-story addition to the Ullsvick Center for classrooms and either a doubling in size of the Engineering Building or construction of a second building. Two new residence halls, which would be self-funded, would be built to house 40% of the additional students, and others would live in apartments in Platteville.

None of these expenses, she emphasized, would be shouldered by Wisconsin taxpayers or resident students. The costs for additional faculty, staff, and facilities all would come from the differential tuition to be charged to those students. In addition, no Wisconsin students would be displaced because of this initiative. The 2,000 out-of-state students would be in addition to the university's ongoing enrollment plan. The first class of 200 students would be enrolled in the fall of 2005.

Spending in the Platteville area by additional students, faculty and staff would bring an influx of \$25 million a year into an economically deprived part of the state. The plan also provides an opportunity to increase diversity on campus, particularly through recruitment in the Rockford and Chicago areas.

In response to a question by Regent Walsh, Provost Butts indicated that numbers of Minnesota students had remained quite stable.

Regent Walsh asked how the \$4,000 figure in premium tuition was determined, to which Senior Vice President Olien replied that it was based on prices for competitive programs in Illinois and Iowa. Associate Vice President Freda Harris added that, in addition to finding a price that would attract students, it was necessary to make sure that the tuition would cover all costs associated with the program. The intent is to provide a brain-gain opportunity at no cost to the state and to bring additional money into the region. Provost Butts indicated that the figure would be reviewed after two years and possibly adjusted at that time.

Expressing concern that the program may be under-priced, Regent Olivieri said his understanding was that the justification for the \$4,000 figure was to make sure that the state would be held harmless. He asked if there is some flexibility to bring in more money by raising the price. In response, Senior Vice President Olien explained that discussions with colleagues and the experience of programs in Iowa and Illinois had led to the conclusion that \$4,000 is at the tipping point and that students would not come if the program were priced higher.

Regent Gottschalk added that the total amount, including tuition, room and board, compares favorably with Illinois and Iowa programs where students would pay resident tuition.

Regent Randall asked what would be done to attract students of color and low-income students into the program. In reply, Provost Butts indicated that incentive grants of \$1,500 a year would be available and that increasing diversity is a goal of the program.

Regent President Marcovich called on Arlene Siss, a resident of Platteville, who had asked for an opportunity to speak to the Board about the program. Ms. Siss indicated that she was speaking as owner of an historic home who lives a block away from the university and as a representative of the John Rountree Homeowners Association. She expressed concern about the impact of an additional 2,000 students on the area around the university and the entire city, indicating that there currently is a shortage of quality, affordable housing for students and that the situation would be exacerbated by a large increase in the student population. In addition, she indicated that the shortage of parking around the university would become worse as the number of students increases.

Another concern, Ms. Siss continued, is underage drinking and vandalism. She felt a greater variety of university activities would help to channel student energies in more positive directions. She also wondered if new faculty and staff would be able to live in Platteville because of housing shortages.

She indicated that the Homeowners Association wants a safe, quiet, attractive neighborhood with density reduced and parking available. They want the neighborhood to retain its historic character and to be populated by a variety of age groups, not just university students. In addition, they want single family homes that are not divided into student apartments.

Turning to impact on the community, she said that local taxpayers would have to pay for additional police, street repair, and utilities. In addition, she thought Platteville would need a paid fire department to replace the current volunteer force. Finally, she expressed concern that local residents had not been invited to participate in discussion of the impacts of the new program.

Regent Burmaster asked about the process for community involvement, to which Provost Butts replied that numerous meetings had been held with city officials and with developers of apartment complexes. Mr. Zielke added that each of the topics mentioned by Ms. Siss had been discussed in development of Platteville's Smart Growth Plan.

Regent Rosenzweig suggested that the university work with homeowners in the area and others to address their concerns, and Provost Butts indicated that the campus would be pleased to facilitate such a discussion. Mr. Zielke indicated that members of the community already had been invited to several meetings where these topics had been discussed.

Regent Burmaster commented that the plan is a collaborative effort, not only between the city and the university, but with the entire Grow Wisconsin economic development plan, with the intention of creating brain gain and future economic growth. In that regard, it provides an opportunity to show what can be done when people work together.

Regent Mohs remarked that he had lived most of his life within a mile of UW-Madison, and 45 years in an historic district in the student area. While there are parking problems and occasional student high jinks, it has been his experience that university students in general are great people to live near. Observing that communities greatly benefit from the university campuses located in them, he hoped that members of the community would understand that the university has to adjust to changing needs and would take actions of their own, in concert with the university, to address issues that arise.

With regard to the process for developing the plan, Senior Vice President Olien indicated that Chancellor Markee had worked closely with city officials and legislators and that it was endorsed unanimously by legislators from the area. The city and its legislative representatives were satisfied that the university has been considerate of the beautiful Platteville environment and that housing, parking and other issues are being addressed. The process has been open and well-publicized, with numerous meetings having been held.

Mr. Krogman commented that, having lived in Platteville since 1981, he had never seen an initiative that so energized the community. Indicating that the university has an excellent relationship with the city, he said the intention is to continue working together to address challenges that any growing community would face. As President of the School Board, he felt the school district is very pleased with the prospect of growth, as is most of the community. This initiative, he commented, is the biggest "shot in the arm" the area has had in its efforts to spur economic growth.

Upon conclusion of the discussion, adoption of the following resolution was moved by Regent Gottschalk, seconded by Regent Amato and carried unanimously.

**UW-Platteville: Differential Tuition for the Regional Enrollment Plan**

Resolution 8787: That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Platteville, the Board of Regents approves the use of differential tuition for the Regional Enrollment Plan at UW-Platteville beginning in the fall semester of 2005-06.

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**UW-MILWAUKEE DIFFERENTIAL TUITION**

In introductory remarks, Associate Vice President Freda Harris noted that four schools and colleges at UW-Milwaukee are seeking differential tuition: The Peck School of the Arts, the College of Engineering and Applied Science, the School of Business Administration, and the College of Nursing. She pointed out that this is first time that System Administration has brought forward a recommendation for undergraduate program differentials, outside of an undergraduate differential for applied health programming that was included in a biennial budget proposal that also included increased GPR funding.

While many other state institutions utilize program differentials at the undergraduate level, she said that, since this is the first such initiative in the UW System, it is requested that UW-Milwaukee consider this a pilot program, without an ending date, which will provide information for other institutions regarding impacts on the ability to increase course sections, retention of staff and enhanced student services.

She explained that some students taking courses in these schools and colleges, but not majoring in their programs, would be charged the differential. The differentials would not be charged to students enrolled in 100 level general education courses in the School of the Arts and Business Administration. Only students taking 300 level courses in nursing would be charged the differential in the fall of 2004, and this charge would be expanded to 400 level courses in 2005. Students in these programs perceived that it would be fair to charge all students in those levels of courses.

Tuition increases are per credit as follows for fall 2004: \$10 per credit for the School of the Arts and Business Administration, which will increase to \$15 per credit in fall 2005 and \$20 per credit in fall 2006; \$5 per credit for the School of Engineering, which will increase by \$5 per credit each year through fall of 2007 when the per credit amount will stabilize at \$20; and \$30 per credit for the School of Nursing.

These proposals, Ms. Harris said, have followed all board procedures for student involvement and have been reviewed internally by the chief business officers, the provosts and the chancellors.

UW-Milwaukee Interim Chancellor Robert Greenstreet explained that the impetus for the move toward differential tuition came from the 21<sup>st</sup> Century Study that approved flexibility for tuition setting and Resolution 8596 that encouraged institutions to consider differential tuition. Noting that the four programs involved in the request are high-cost programs in professional schools, he said that students were involved in the process from the earliest stages. After the proposals were developed among faculty, staff and students in the programs, they moved on to the campus level, where they were considered by the Student Association. In his 23 years at UW-Milwaukee, he stated, he had never seen a Student Senate as thoughtful and thorough as this group, which gave the proposals very careful consideration, adding to and improving them along the way.

None of the finances raised from the differentials, he explained, would go towards restoring budgets that have been cut. Instead, they would be directed toward quality enhancements, providing an edge of excellence that these professional programs need. Noting that it would be a pilot program, he said information would be collected so that other campuses could learn from UW-Milwaukee's experience. Student behavior would be monitored to ensure that there are no negative impacts, and there would be full accountability to make sure that all the money raised through the differentials goes directly to program enhancement.

In closing, he indicated that approval was requested at this time so that the differentials could be advertised in time for full student information and understanding.

Provost John Wanat added that the goal is both to increase quality and ensure access, which could not be done at current rates. All the money raised would go directly to the programs, with no portion for the campus as a whole or for any administrative level. A review would be conducted at the end of the year on how the money was spent and to determine if any changes need to be made for subsequent years.

He indicated that the proposals would be relatively easy to implement through the Peoplesoft student management system that allows exact course-by-course adjustments, so that students would be able to identify exact costs through electronic registration. Approval at this time would allow the university to meet printed timetable deadlines, providing all students with adequate notice. The impact of the differentials would be thoroughly reviewed after the third year.

Neil Michals, Speaker of the Student Senate stated that the paramount concern of students at the university is the quality of their education. While the idea of an extra expense for students enrolled in specific programs is not appealing, it is less appealing for students to have to use outdated equipment; to not receive the one-on-one attention they need to be successful; and to face inadequate availability of resources and laboratories.

The differential tuition proposals, he stated, will provide the funds needed to ensure that the quality of education will continue to be one of the best in the UW System. Because educational costs in the four schools and colleges are higher than in the rest of the university, he said it makes sense for students in those programs to pay for what they are receiving in terms of quality education.

Stating that the Student Senate took the matter very seriously, he explained that the proposals first were tabled for further review and then each was considered individually with recommendations made and incorporated. After hours of deliberation, the senate decided to support the differential tuition proposals. In the process, senators spoke with students in all four schools and colleges and found that they would support the differential tuition proposals as long as the money goes directly to providing new equipment, better advising, greater class availability and other quality enhancements.

Katherine Gilliland, a senator from the Peck School of the Arts, explained that needs in the school include equipment, technology, advising, better studios and more classes. She received letters from student organizations stating that students understand and support the need for differential tuition. The enhancements will allow students to receive higher quality education and help them achieve more timely graduation.

With regard to student access, she pointed out that, on campuses with differential tuition, enrollments have increased because students realize that they will receive higher quality education and that the extra money will help them further their careers.

After three years, she noted, the Student Senate will review the impact of the proposals and make a decision about whether to continue them or to make adjustments.

In conclusion, she indicated that, without differential tuition, students in the School of the Arts feel that their education would suffer and that they would not be able to complete programs with the level of quality needed for their future.

Tim Calloway, a senator from the School of Business Administration and a member of the Student Black and Gold Committee, stated that he supports differential tuition because it will raise educational quality and allow the school to remain competitive with other programs. Areas of improvement would include replacement of outdated equipment, improvement in the ratio of advisors to students, career services to make more internships available and provide evening hours, more tenure-track faculty to offer more classes, leading to earlier graduation, and programs to match juniors and seniors with professionals in the workforce who can provide networking and mentoring.

Rebecca Brah, a senator from the College of Nursing, spoke about three reasons that differential tuition is needed by students in the college. First, laboratory equipment is outdated and needs to be replaced. In that regard, she noted that it was stipulated by the Senate that students would have an equal voice with faculty and staff in decisions on the type of new equipment to be purchased. Second, there is a need for more advisors to serve growing numbers of students. Third, clinical staff are needed in order to meet the requirement of one teacher for every eight students in a hospital setting and to improve educational quality.

Even with the differential tuition, she pointed out, UW-Milwaukee would have a relatively inexpensive School of Nursing and would provide an excellent education. Students and student organizations had been consulted and agreed on the need for the enhancements that the differential would provide.

Mr. Michals then read a letter from Brett Belden, a senator from the College of Engineering and Applied Sciences, in support of the differential tuition proposal for that college. One important need, he indicated, is to replace outdated and non-functioning laboratory equipment. In that regard, he noted the special importance of strong laboratory courses in engineering and computer science in order to enable students to be effective in the workplace. The senators from the college polled their constituents by holding open forums and speaking to students in class. The response was that, although they were not happy about paying extra tuition, they felt the improvements it would provide are necessary to increase the quality of education.

In discussion following the presentation, Regent Bradley asked if the problems to be remedied with differential tuition occurred because of inadequate state funding or because funding is adequate but students want an enhanced educational experience.

Replying that the latter is the case, Provost Wanat indicated that, for example, the Schools of Engineering and Business passed accreditation reviews in the past year with strong marks, although the issues of equipment replacement and the ratio of advisors to students had been noted. What that means, he said, is that students are getting a quality education but are looking for enhancement of that experience.

Regent Bradley indicated that he was pleased to know that the differential is intended to provide enhancements, adding that he would not be in favor of using differential tuition to solve problems created by inadequate funding.

While it would be ideal for the state to provide the funding, Mr. Michals noted, the money for that is not available; and students are willing pay more for high quality education.

Regent Connolly-Keesler expressed concern that approval of the differential would send a message that the state need only to fund the basics and that others will pay for anything more than that. She also was concerned about setting a precedent for tuition increases in other programs and asked if there had been discussion of the larger issue when differential tuition first was approved.

Replying in the affirmative, Regent President Marcovich said the consensus at the time was to examine differential tuition proposals on a case-by-case basis on their own merits. He agreed that differential tuition should not replace GPR funding.

Mr. Michals added that the Student Senate also had concern about differential tuition spreading to other programs. That was why they approved it only on a case-by-case basis.

Regent Pruitt noted some concern is alleviated by the fact that these are higher cost programs.

President Lyall added that internal discussions also drew a distinction between professional programs and general liberal arts majors. She was comfortable with trying these proposals as a pilot project in order to determine the impact on enrollments, quality and accreditation ratings. Given the university's fiscal situation, she considered it reasonable to give UW-Milwaukee and the students who support the proposal a chance to try it.

In response to a question by Regent Bradley, Ms. Harris explained that the plan was not to put an ending date on the program, but to have benchmarks provided by the campus for use in evaluating the impacts. In three years, an update would be done on benchmarks established in each of the schools to provide that information. Provost Wanat added that an annual review also will be conducted to provide interim measures of impact on the educational experience and whether any shifts in funding should be made. Ms. Harris indicated that the decision on continuation of the differentials would be decided by the students after the three-year review.

Regent Mohs inquired about the experience of other institutions in using complex pricing programs.

Ms. Harris replied that other institutions have moved into the area of using program differentials for undergraduates. While it seemed reasonable to use such pricing in specified high cost areas, she would not recommend using multiple different rates as is done at some other institutions. It is important, she thought, to move slowly and study the impacts of the program at Milwaukee before moving further in that direction.

Noting that such services as advising and other instructional resources typically are funded by GPR, Regent Richlen expressed concern about growing use of differential tuition for these purposes. Since students at UW-Milwaukee supported the proposed differentials, she said that she would not vote against them; but, she urged in-depth consideration of increased tuition as a means of funding programs.

Expressing agreement, Mr. Michals said that is why a three-year review was made part of the plan.

In response to a question by Regent Amato, Ms. Harris said that the Board would not need to re-approve the differential after the three-year review. The program provided for that decision to be made by students, although the Board could be provided with information about the results.

Regent President Marcovich stated that he would support the resolution, but urged that a policy be established that would set parameters as to what kind of differential tuition proposals would be approved.

Regent Gracz moved that the student review in three years be brought back to the Board of Regents. The motion was seconded by Regent Rosenzweig and carried on a voice vote with no opposition expressed.

Regent Axtell then moved adoption of Resolution 8788. The motion was seconded by Regent Pruitt and carried on a voice vote with no opposition expressed.

**UW-Milwaukee: Differential Tuition for Select Schools and Colleges**

Resolution 8788:                      That, upon the recommendation of the President of the University of Wisconsin System and the students and the Interim Chancellor of the University of Wisconsin-Milwaukee, the Board of Regents approves the use of differential tuition at UW-Milwaukee beginning in the fall semester of 2004-05 for:

- A.     The Peck School of the Arts
- B.     The College of Engineering and Applied Science
- C.     The School of Business Administration
- D.     The College of Nursing

The meeting was adjourned at 3:35 p.m.

Submitted by:

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Judith A. Temby, Secretary