



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

March 2, 2004

REVISED

TO: Each Regent

FROM: Judith A. Temby

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

PUBLIC MEETING NOTICE

RE: Agendas and supporting documents for meetings of the Board and Committees to be held at the Friedrich Center, 1950 Willow Drive, Madison, on March 4, and at Van Hise Hall, 1220 Linden Dr., Madison, on March 5, 2004.

Thursday, March 4, 2004

8:30 a.m. – Business and Finance Committee, Room 154

10:00 a.m. - 12:30 p.m. - Working Groups - Charting a New Course for the UW System

- Revenue Authority and Other Opportunities, Friedrich Center, Room 453
- The Research and Public Service Mission, Friedrich Center, Room 353
- Our Partnership with the State, Friedrich Center, Room 154
- Achieving Operating Efficiencies reconvene, Friedrich Center, Room 216
- Re-Defining Educational Quality reconvene, Friedrich Center, Room 215

12:30 - 1:00 p.m. - Box Lunch

Friedrich Center, Dining Room

1:00 p.m. – Board of Regents

Virtually There: Transforming Higher Education Through Technology
Friedrich Center, Room 16

2:00 p.m. - Committee meetings:

Education Committee

Friedrich Center, Room 16

Business and Finance Committee

Friedrich Center, Room 154

Physical Planning and Funding Committee

Friedrich Center, Room 453

Friday, March 5, 2004

9:00 a.m. – Board of Regents
1820 Van Hise Hall

Persons wishing to comment on specific agenda items may request permission to speak at Regent Committee meetings. Requests to speak at the full Board meeting are granted only on a selective basis. Requests to speak should be made in advance of the meeting and should be communicated to the Secretary of the Board at the above address.

Persons with disabilities requesting an accommodation to attend are asked to contact Judith Temby in advance of the meeting at (608)262-2324

Information regarding agenda items can be found on the web at <http://www.uwsa.edu/bor/meetings.htm> or may be obtained from the Office of the Secretary, 1860 Van Hise Hall, Madison, Wisconsin 53706 (608)262-2324.

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

February 27, 2004

TO: Each Charting A New Course Participant

FROM: Judith A. Temby

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

PUBLIC MEETING NOTICE

RE: Agendas and supporting documents for meetings of the Board and Committees to be held at the Friedrich Center, 1950 Willow Drive, Madison, on March 4, 2004.

Thursday, March 4, 2004

10:00 a.m. - 12:30 p.m. - Working Groups - Charting a New Course for the UW System

- Revenue Authority and Other Opportunities, Friedrich Center, room 453
- The Research and Public Service Mission, Friedrich Center, room 353
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- Re-Defining Educational Quality reconvene, Friedrich Center, room 215

12:30 - 1:00 p.m. - Box Lunch

Friedrich Center, dining room

Information regarding agenda items can be found on the web at <http://www.uwsa.edu/bor/meetings.htm> or may be obtained from the Office of the Secretary, 1860 Van Hise Hall, Madison, Wisconsin 53706 (608)262-2324.

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AGENDA OF THE REVENUE AUTHORITY WORKING GROUP OF THE BOARD
OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Thursday, March 4, 2003
Friedrick Center, 1950 Willow Drive, Madison
Room 453
10:00a.m.

1. Call to order
2. Approval of minutes
3. Adopt resolution on Risk Manager
4. Cohort Tuition
5. Performance bond discussion
5. Campus development and best practices

February 27, 2004

MEMORANDUM

TO: Revenue Authority Committee

FROM: David Olien

RE: Agenda item

The following draft resolution has been prepared for consideration of the committee at our next meeting. Any suggestions on changes to this draft can be considered at our next meeting.

5. The Revenue Authority Committee recommends that the UW System and Department of Administration jointly contract for an actuarial study examining whether creating a “captive” insurance company would result in financial savings. The Revenue Authority Committee also recommends that the UW System be added by the Department of Administration to the team negotiating the State’s insurance policies to address the concerns raised by the Gallagher study.

REVENUE AUTHORITY AND OTHER OPPORTUNITIES WORKING GROUP OF THE
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Thursday, March 4, 2004

"Cohort Tuition"

Proposal

The Revenue Authority and Other Opportunities working group of the Board of Regents of the University of Wisconsin System recommends that the following action items be included in the "Charting A New Course For the UW System" final report:

1. Request that UW System Administration further study and report to the Board of Regents the effects of implementing cohort tuition for nonresident students in order to make nonresident tuition increases more predictable and potentially increase the number of nonresident students attending UW institutions. Cohort tuition options that should be considered include:
 - A. Guarantee nonresident students a single tuition rate for a specified length of time or number of credits; and/or
 - B. Guarantee nonresident students a single tuition rate that would increase each year by a predetermined factor (1%,2%...) or index such as the Consumer Price Index (CPI).

Background

Revenue Authority and Other Opportunities working group discussions have converged on the following views on cohort tuition:

1. Cohorts could be based on any number of criteria including residency status, class standing based on credits earned, years enrolled, traditional or nontraditional student status, or declared major.
2. Institutions have many options in determining the tuition charged to each cohort, including guaranteeing one set rate, increasing at a specific rate, or increasing at specific dollar or percentage levels.
3. Cohort tuition for resident undergraduates is not desirable at this time for several reasons: a) resident tuition rates remain low relative to peers; b) cohort tuition would likely limit the System's flexibility to control tuition revenues derived from resident undergraduate students; c) resident undergraduate tuition revenues are the single largest component of the System tuition revenue stream.
4. A significant benefit of cohort tuition is the ability to provide predictability in tuition costs for students and their families.
5. UW System nonresident students have experienced unexpected significant increases in tuition over the past 5 years.
6. The UW System has experienced a sharp decline in the number of nonresident students in recent years.

7. With nonresident tuition rates at about 4 times the rate of resident tuition, and already near the top of each institution's tuition peers, either option A or option B could enhance the marketability of UW System institutions to nonresident students by providing predictable tuition rates to students and families.
8. Cohort tuition option A may limit the System's ability to generate sufficient revenues to cover budgetary costs if the state (a) continued to provide only modest GPR increases, (b) continued to ask UW System to absorb much of compensation increases from tuition, (c) assessed frequent administrative base cuts, and (d) continued to cap resident undergraduate tuition.
9. Option B provides additional flexibility to increase tuition revenues and thereby negates one potential shortfall of option A.

REVENUE AUTHORITY AND OTHER OPPORTUNITIES WORKING GROUP OF THE
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Thursday, February 5, 2003

"Nonresident Tuition"

Proposal

The Revenue Authority and Other Opportunities working group of the Board of Regents of the University of Wisconsin System recommends that the following action items be included in the "Charting A New Course For the UW System" final report:

1. Change current Board of Regents Tuition Policy Principles to specifically address tuition setting guidelines for nonresident tuition rates.
2. Request that UW System Administration further study and report to the Board of Regents on additional flexibilities that may be granted to institutions, or piloted at one or more institutions, to allow them to target nonresident populations or majors in order to increase the number of enrolled nonresident students and achieve institutional or statewide priorities without decreasing access for resident students.
3. Request that UW System Administration further study and report to the Board of Regents on additional nonresident student "brain gain" strategies and proposals as outlined in the Governor's *Grow Wisconsin Workforce Development Initiative*. Additional institutional initiatives, such as that which was approved for UW-Platteville are encouraged, as well as system-wide proposals that target students who are most likely to remain in Wisconsin upon graduation.

Background

Revenue Authority and Other Opportunities working group discussions have converged on the following views on nonresident tuition rates:

1. Nonresident students pay tuition that far exceeds the cost of their education, allowing the UW System to use the "excess" resources to increase access for Wisconsin residents.
2. Attracting nonresident students to Wisconsin is a vital building block in the state's overall "brain gain" strategy.
3. Wisconsin resident students benefit educationally and socially by having a geographically heterogeneous campus.
4. Nonresident students are important to local economies as well as the overall state economy.
5. Nonresident undergraduate tuition rates have increased dramatically in the past five years, largely due to mandatory tuition surcharges of 5% per year that were included in the 2001-03 biennial budget.
6. Currently, all UW institutions rank near the top of their respective peer group for nonresident undergraduate tuition and mandatory fees.
7. While a number of factors impact the decision by nonresident students to attend a UW institution, price likely plays a significant role.
8. During the 2002-03 academic year, the UW System experienced a widespread reduction in nonresident undergraduate students which resulted in approximately \$4-\$5 million of related lost tuition revenues.

TUITION POLICY PRINCIPLES

**Board of Regents
GUIDING PRINCIPLES***

1. Tuition and financial aid in the UW System should balance educational quality, access, and ability to pay.
2. As a matter of fiscal and educational policy, the state should, at a minimum, strive to maintain its current GPR funding share (65%) of regular budget requests for cost-to-continue, compensation and new initiatives, and fully fund tuition increases in state financial aid programs.
3. Nonresident students should pay a larger share of instructional costs than resident students, and at least the full cost of instruction when the market allows.
Nonresident rates should be competitive with those charged at peer institutions and sensitive to institutional nonresident enrollment changes and objectives.
4. Where general budget increases are not sufficient to maintain educational quality, supplemental tuition increases should assist in redressing the imbalance between needs and resources.
5. Tuition increases should be moderate and predictable, subject to the need to maintain quality.
6. GPR financial aid and graduate assistant support should “increase at a rate no less than that of tuition” while staying “commensurate with the increased student budget needs of students attending the UW System.” In addition, support should also reflect “increases in the number of aid eligible students.”
7. General tuition revenue (to cover regular budget increases under the standard 65% GPR and 35% Fees split) should continue to be pooled systemwide. Special fees may be earmarked for particular institutions and/or programs increasing those fees.
8. When considering tuition increases beyond the regular budget, evaluation of doctoral graduate tuition should consider impacts on multi-year grants and the need to self-fund waivers or remissions from base reallocation within departmental budgets.

*** Proposed modification by Revenue Authority and Other Opportunities working group (February, 2004)**

REVENUE AUTHORITY AND OTHER OPPORTUNITIES WORKING GROUP OF THE
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Thursday, February 5, 2003

"Per Credit Tuition"

Proposal

The Revenue Authority and Other Opportunities working group of the Board of Regents of the University of Wisconsin System recommends that the following action items be included in the "Charting A New Course For the UW System" final report:

1. Request that UW System Administration recommend to the Board of Regents one or more additional institutions to pilot per credit tuition.
2. Request that UW System Administration further study and report to the Board of Regents the effects of implementing per credit tuition on a larger scale in order to generate additional revenues for the UW System and expand access to lower and middle income students.

Background

Revenue Authority and Other Opportunities working group discussions have converged on the following views on per credit tuition:

1. May be designed to be revenue neutral or revenue generating
2. May be structured to significantly increase revenues and at the same time reduce the overall tuition paid by most students taking 13 credits or less.
3. Even when structured to be revenue neutral, it may eliminate the tuition loss that institutions face when their mix of students becomes more heavily weighted to full-time students who take "free credits" within the plateau.
4. Part-time students would no longer subsidize full-time students through higher actual per credit costs.
5. Based on initial findings at UW-Stout, course drop-rates may decline. Reducing the drop rate should result in additional access for other students. Currently, some students within the plateau enroll in more courses than they intend to finish because there is no financial disincentive for dropping courses.
6. Students may benefit from a simplified tuition schedule, particularly those students that enroll in courses at more than one institution.
7. It is still unclear how student behavior may change. What will happen to time and credits to degree? Will it change the type of elective courses in which student's enroll?
8. Some of the uncertainty could be addressed by implementing new initiatives designed explicitly to reduce time and credits to degree.

Research & Public Service Working Group
March 4, 2004
Room 353, Friedrich Center
10:00 a.m.

AGENDA

1. Call to order
2. Approval of minutes of February 20 meeting
3. Preliminary recommendations discussion, including discussion of budget implications
4. Adoption of recommendations

Draft #2 – Research and Public Service Working Group
Public Service Recommendation
(a) Communication

Traditionally, universities have viewed their mission as teaching and research. More recently, and particularly in light of the fact that most states are facing severe deficits, universities are being viewed by their states as economic engines. Consequently, economic development is becoming as important a mission for universities as teaching and research.

Given that local business and community leaders and legislators have revealed a general lack of awareness of university resources available to assist local government and the private sector; given that the university has invested time and energy in four highly successful statewide economic summits; given that the primary service local employers desire from the university is a well-prepared cadre of graduates, in the liberal arts as well as in specific technical disciplines; and given that UW System chancellors and deans have made local and regional economic development and community partnerships a high priority during the past four years, the committee recommends that the university's role in economic development and business outreach be continued as a major UW System priority and that these activities be enhanced. Specifically, in this regard, the committee recommends:

- That a “front door” to the UW System be created to assist local businesses in accessing faculty and staff expertise wherever it exists.
- The UW System engage in a major public relations/communications campaign with external stakeholders to better inform them of what resources the university has to offer and how they can be accessed.
- That a comprehensive, targeted marketing campaign be undertaken in partnership with the private sector to address very specific Wisconsin workforce development issues – i.e., manufacturing, health care, new technologies.

Some examples of existing partnerships include:

- The Wisconsin Economic Summits, co-sponsored by the University of Wisconsin System and the Wisconsin business community, which promote economic growth and the stability of the state of Wisconsin;
- The Wisconsin Small Business Development Centers, which provide counseling, technology and information transfer and instruction to small businesses. Wisconsin's SBDC was first established in 1979 and was one of the first such organizations in the nation;
- The UW System Business Consortium, a partnership of the business schools in the University of Wisconsin System formed to address the needs of businesses and other organizations in the state. The business schools work collaboratively, where appropriate, to offer both credit and non-credit programs to organizations and students utilizing new distance education technologies.
- The UW System continue to play a role in serving as a neutral convener of the many parties engaged throughout the state in economic development activities at the state, regional and local levels.

- That the Board of Regents seek ways to recognize and celebrate university leaders, faculty, staff and students who are having a major impact on the economic health of their communities.

Draft #2 – Research and Public Service Working Group
Public Service Recommendation
(b) Community and Civic Engagement

The faculty, staff and students of the University of Wisconsin System use their expertise to enhance communities beyond the classroom. Their efforts consist of service on national professional organizations, service within their own campuses, and service within their communities.

The Wisconsin Campus Compact is bringing together many Wisconsin higher education institutions to introduce more service-learning into the curriculum and to enhance student “citizenship” through a variety of civic engagement and volunteer activities. The Wisconsin Campus Compact is the only campus compact in the country working in collaboration with UW-Extension programs. Further, it works across public, private, two-year, four-year and technical educational institutions and focuses on economic development, extension service, resource sharing, student volunteerism, service learning, among other components.

Several examples of faculty, staff and students engaged in service include:

- Wisconsin K-16 AmeriCorps*VISTA Service-Learning Project: Faculty and staff at UW-Eau Claire, UW-Extension, UW-Madison, UW-Stevens Point, UW-Oshkosh, and UW-Parkside are currently involved in the *Wisconsin K-16 AmeriCorps*VISTA Service-Learning Project*. The project places AmeriCorps*VISTA members at these campuses or in local community settings to assist as service-learning coordinators and support postsecondary faculty, staff and student connections with community-based organizations. The VISTA volunteers build service-learning connections between local elementary and middle school students, college students, and educators aimed at improving the academic achievement and aspirations of young students.
- The American Democracy Project: UW-Eau Claire, UW-Stevens Point, UW-La Crosse, UW-Parkside, UW-Oshkosh and UW-River Falls are each participating in the American Democracy Project. The goal of this project is to strengthen the American Association of State Colleges and Universities’ affiliate efforts to “produce graduates who understand and are committed to engaging in meaningful actions as citizens in a democracy.” The project is coordinated by the American Association of State Colleges and Universities and supported by the New York Times, Campus Compact, and other national partners.
- New Voters Project: Wisconsin Campus Compact is a partner in the New Voters Project, a non-partisan project funded through the Pew Charitable Trusts aimed at increasing 18-24 year-old voter participation by five percent in the November 2004 election. The New Voters Project will help support campus efforts to institutionalize voter registration and mobilization efforts.

Specifically, in this regard, the committee recommends:

- That the Wisconsin Campus Compact be congratulated for the early successes it has achieved and, further, that the University of Wisconsin System strongly support continued participation of the Wisconsin Campus Compact in service to communities across Wisconsin and encourages its continued growth.

Draft #2 – Research and Public Service Working Group
Public Service Recommendation
(c) Diversity

Wisconsin has among the highest high school graduation rates in the country; yet, Wisconsin has one of the lowest high school graduation rates in the nation for black students. According to 2001-02 Department of Public Instruction data, the graduation rate for white students is 90.83 percent and 59.87 percent for black students. Wisconsin has the second largest high school graduation gap between white and minority students in the country, according to a study conducted by the Civil Rights Project at Harvard University and the Urban Institute. The only state that fared worse in the study was New York.

The rate is abysmal in Milwaukee, where only 54.54 percent of black students graduate from high school. More than 62 percent of black students in the state of Wisconsin attend Milwaukee public schools. Further, there are similar low completion rates for targeted minorities, especially American Indian and Hispanic students.

Historically, Wisconsin has taken pride in providing opportunities for its citizens, regardless of income, to participate in higher education. However, in recent years, the UW System has seen a decrease in participation rates from the lowest income segment of the population. In 2002, only 11.2 percent of the UW new freshmen came from the lowest income quintile. The under representation of low income students can be attributed, in part, to the fact that low income students, on average, are less well prepared for college when they graduate from high school. However, even after adjusting for academic preparation levels, low income students have lower participation rates than their higher income counterparts. Clearly, income matters.

Further, the Working Group heard from the business community that it, too, needs a diverse pool of workers, which is daunting in terms of projections. While the college-age population is projected to increase, the minority population is growing at a faster rate than the population as a whole – a group that historically has encountered obstacles toward degree attainment. Steps will need to be taken to improve low-income and minority students' attendance and graduation rates if this state – and country – is to meet its future workforce needs.

It is important to note that the University of Wisconsin System has taken deep budget cuts in its state appropriations. The combination of deep budget cuts and rising costs of other parts of the state budget have forced our institutions to raise tuition in order to maintain quality and provide for increases in enrollment. Grant aid is especially beneficial for low-income students, who react more strongly to changes in tuition charges and aid than do middle- and upper-income students. Once again, financial aid, and especially grants, has had a positive influence on the postsecondary participation of low-income students, even after taking academic background and other factors into consideration.

The Research and Public Service Working Group believes that any plan to build a pool of students of color qualified to apply, be admitted to and potentially enroll in UW System institutions must focus on the Milwaukee public schools and its students. Further, the Working Group believes partnerships that build the educational pipeline to reach children and their parents at an earlier age should be expedited.

In 1997-98, UW System launched Plan 2008 to increase higher education diversity.

Further, the Working Group heard presentations from Dr. Christine Anderson, of the Milwaukee Partnership Academy, about the initiative to enhance the quality of teaching and learning in Milwaukee public schools. The committee enthusiastically supports and applauds this example of true partnerships. The committee also believes the MPA will positively impact graduation rates of students of color in Milwaukee.

The Working Group also heard a presentation from Dr. Paul Barrows about the University of Wisconsin-Madison's PEOPLE program, which works to increase enrollment in institutions of higher education for targeted populations. It is apparent from Dr. Barrows' presentation and from related studies that the program is highly successful. It has demonstrated that enrollment and graduation rates can be increased by pre-college programs that encourage students to aspire to opportunities available through higher education and assist students in developing critical academic skills.

Therefore, it is the recommendation of the committee that:

- Financial aid for low-income students is increased. Comparisons of college participation rates of students in the lowest and highest income groups and between minorities and whites show longstanding gaps with regard to higher education opportunities. This opportunity gap can be attributed to many factors, including a lack of financial resources to pay for college. These students face financial barriers to access and persist in higher education. Financial aid, and especially grants, has a positive influence on the postsecondary participation of low-income students. Accordingly, the Research and Public Service working group strongly recommends that financial aid – both state and federal – must be increased to enable these and other low-income students to go to college and graduate.
- The PEOPLE program, or other successful models such as the POSSE program or Chancellor Scholars program, should be replicated by other four-year campuses of the UW System to work with African American, American Indian, Asian American (especially Southeast Asian American), Latino and disadvantaged students. Similar pre-college programs have been established on other UW four-year campuses. The guaranteed admission and other features of these programs should be incorporated into pre-college, scholarship and mentoring programs at other UW four-year campuses, including those already established. In addition, pre-college programs should also focus on at-risk students to try to provide them with the incentives to stay in school, graduate and continue on to college.
- The Milwaukee Partnership Academy, a community-wide partnership devoted to the quality of teaching and learning in Milwaukee Public Schools, be strongly supported.
- Successful models, like the MPS Academy and UW-Madison's PEOPLE program, be identified and marketed by UW System.

Draft #2 – Research and Public Service Working Group
Public Service Recommendation
(d) Brain Gain and Economic Development

Over the past several years, the institutions that comprise the University of Wisconsin System have focused a significant amount of time and energy on developing strategies for supporting economic development in Wisconsin. Many of these efforts have been aimed at the generation of additional baccalaureate degree holders in the state, with a primary focus on adult students who have made a prior commitment to reside in Wisconsin. Working in partnership with the Wisconsin Technical College System, the following three initiatives will enhance access for underserved Wisconsin residents and provide for workforce development. To that end, the committee recommends:

- **A Brain Gain Strategy for Wisconsin: The Center for Adult Access:** The demand for higher education will continue to rise and will be driven by both students and employers at a time when public higher education institutions face diminishing state resources. Achieving this vision of lifelong learning for Wisconsin calls for more flexible responses on the part of providers to meet the needs of learners. Statistics indicate that Wisconsin's per capita income is below the national average (\$29,270 versus the national average of \$30,472) and considerably below per capita incomes in Minnesota (\$33,101) and Illinois (\$33,023), and falling further behind. There is a need to create significantly more high-paying employment opportunities within the state's economy and, equally important, to prepare Wisconsin's workforce to meet the increased demand for education, training and workforce skills. The creation of the Center for Adult Access to expand postsecondary opportunity for adult students is recommended.
- **Stout Technology Proposal:** Building upon its strengths, UW-Stout, a Malcolm Baldrige National Quality Award recipient and well-known and respected for its technology emphasis and its state-of-the-art educational delivery system, proposes establishing itself as one of the nation's premier institutions of workforce preparation in higher education. Endorsement of the proposal to align and cooperate more closely with the Wisconsin Technical College System to provide workforce education, development and solutions, to transform curriculum and delivery systems, and to serve in a national and state leadership role in technology education, service and business processes is recommended.
- **Northeast Wisconsin Educational Resource Alliance (NEW ERA):** NEW ERA is a consortium of leaders in the thirteen public colleges and universities in northeast Wisconsin fostering regional partnerships to serve northeast Wisconsin's educational needs. Further, it is working to provide resources for communities, businesses and local government and driving regional economic development and stability. To advance the economic vitality of the region, generate stakeholder commitment and support and enhance student navigation among NEW ERA institutions without duplication or unnecessary financial burden, endorsement of the proposal is recommended.

DRAFT # 2 – Research and Public Service Working Group Research Recommendation

The University of Wisconsin's annual impact on Wisconsin's economy is \$9.5 billion. UW institutions brought \$590 million in federal and private research funding to Wisconsin in 2001-02. University research plays a critical role in the creation of new companies and ensuring a dynamic economy for Wisconsin.

Given that the 21st century economy will be knowledge-based, given that university jobs are "brain gain" jobs for the state, given the University of Wisconsin System's strong national reputation, and given UW-Madison's exceptional success in attracting research funding, this committee recommends the explicit promotion of academic research – both applied and basic – and development as a growth industry for the state of Wisconsin.

Specifically, in this regard, the committee recommends:

1. The strategic rebuilding of the faculty with the capacity to conduct research and scholarship in areas of national and state need, including greater recognition and reward for faculty whose research serves national, state, regional and local needs.
2. The creation of an incentive fund and infrastructure at the System level that will encourage faculty and staff collaboration across campuses, communities and disciplines to prepare competitive research proposals for the federal and state governments, private foundations and corporations and to take advantage of funding opportunities that require a broad geographic/interdisciplinary approach.

Examples/models include:

- The Wisconsin Space Grant Consortium, which is the official face of NASA in the state of Wisconsin. Most of the Wisconsin universities, non-profits and businesses interested in space and aerospace are members of WSGC. The Consortium uses NASA grants to provide tens of thousands of grant dollars every year to enable undergraduate and graduate students, faculty, staff and industries to pursue aerospace-based scholarship and research studies in every field of discipline.
 - WiSys Technology Foundation, Inc., which identifies innovative technologies developed throughout the University of Wisconsin System and brings them to the marketplace for the benefit of the inventors, their institutions, Wisconsin's economy and society as a whole.
3. An effort to address infrastructure needs on the campuses to enhance research capacity, including:
 - The need for additional/remodeled space
 - Supply and expense funding
 - Library resources
 - Funding to retain the UW System's top researchers, release time for faculty and summer salaries for faculty and staff
 - Training of faculty
 4. The continuation of the Wisconsin Idea as a proud tradition of public service, built by the faculty and staff of the University of Wisconsin for more than 150 years by working with

government and citizens all over Wisconsin to help solve the most pressing problems confronting the state. “Wisconsin Idea Fellows” should be designated to work with the citizens of Wisconsin to define several major public policy areas where university expertise could appropriately be used to address and solve significant issues.

5. The creation of a Wisconsin Research Opportunities Fund that can be used for the development of federal grants and to provide federal matching funds and/or business research partnerships.

MINUTES OF THE RESEARCH AND PUBLIC SERVICE WORK GROUP OF THE
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Via Conference Call
Friday, February 20, 2004
1:00 P.M.

PRESENT: Regent Danae Davis (presiding), Regent Connolly-Keesler, Chancellors Reilly and Wiley, Academic Staff Representative Hank, Faculty Representatives Erdman and Wood, Student Representative Amys, WARF Managing Director Gulbrandsen, Vice President Weimer, Assistant Vice President Andrews, and Executive Assistant to the Chancellor Sears.

The meeting was called to order at 1:00 p.m. The minutes of the February 5, 2004 meeting were approved.

The group determined that they would forward two recommendations for consideration at the Working Group meeting on March 4. The two recommendations would be in the areas of: (1) Research and (2) Public Service. The Public Service recommendation would include four categories: (a) communications, (b) brain gain and economic development, (c) volunteerism, and (d) diversity.

With regard to the **Research** recommendation, the committee asked that the following changes be made:

- In terms of creating an incentive fund, the statement should include the words “and communities,” as follows: The creation of an incentive fund and infrastructure at the System level that will encourage faculty and staff collaboration across campuses and communities and across disciplines to prepare competitive research proposals for the federal and state governments, etc.
- The committee asked that examples/models be identified under the incentive fund statement; examples to include the NASA Space Grants and WiSys.
- Under the section about infrastructure needs, there should be a bullet added that addresses the training of faculty.
- Under the section about infrastructure needs, the committee asked that all the bullets pertaining to faculty salary be combined into one bullet.
- UW System and State of Wisconsin headings should be deleted from the draft recommendation.

With regard to the **Communication** recommendation, that will no longer be a stand alone recommendation, but will fall under a new category of **Public Service**.

The committee asked that the following changes be made to the **Communication** recommendation, including:

- An opening statement (to be submitted by Carl Gulbrandsen).
- Move the bullet, “That a front door” to the UW System be created for local businesses to help them access faculty and staff expertise wherever it exists,” to the top (followed by the public relations/communications campaign to inform external stakeholders of what the university has to offer and a marketing campaign to address Wisconsin workforce development).
- Reward bullet #2 to stress partnerships to meet the needs of Wisconsin’s workforce development.
- For bullet #2, the wording should include exploring private sector partnerships to address the staffing needs of certain programs.
- This section should also include examples.
- The last bullet should be revised with the words “recognize and celebrate,” to say, “That the Board of Regents seek ways to recognize and celebrate university leaders, faculty, staff and students who are having a major impact on the economic health of their communities.

There will be a **Volunteerism** recommendation that will fall under the category of **Public Service**.

- The volunteerism recommendation will cite the Wisconsin Campus Compact, with a statement from the committee that it supports continued participation in communities, encourages its continued growth and cites examples of service-learning opportunities and early successes. These examples could include Vista, Wisconsin Vote project, and the American Democracy project. Chancellor Reilly to submit language and examples.

The **Diversity** recommendation will fall under the category of **Public Service**, and was amended as follows:

- The bullet regarding financial aid should be strengthened and tied to the effect that financial aid has on the participation of minority and low-income students in postsecondary education.
- The bullet regarding financial aid should be moved to the top.
- The summary should include comments from Frank Goldberg’s presentation regarding income disparity issues.

- The summary should be shored up in terms of financial support and why it is important, i.e., a decrease in state aid, greater reliance on loans, will likely deter diversity.
- The summary should include a discussion of median income and why financial aid funding is important.
- The summary should include a statement that the university needs a diverse pool; otherwise, business will not recruit from the university – a sentiment expressed across the state by business leaders.
- The bullet regarding the PEOPLE program should incorporate categories of success models the committee wants to replicate, including PEOPLE, POSSE, Chancellor Scholars. In this regard, the recommendation should focus on long-term support for pre-college, aid, scholarship and mentoring programs.
- The recommendation should indicate that the working group enthusiastically supports the Milwaukee Partnership Academy.
- Chancellor Wiley offered to bring budget implications of the PEOPLE Program to the March meeting.

The fourth area under **Public Service** is **Brain Gain and Economic Development**.

- This segment should incorporate the three proposals presented by Chancellors Messner and Reilly, Chancellor Wells and Chancellor Sorensen at the February 5, 2004 meeting.

The committee directed Linda Weimer and Kris Andrews to work with University of Wisconsin System budget analysts to determine the fiscal impact of each proposed recommendation, and present to the March 4 meeting.

The meeting adjourned at 2:30 p.m.

Charting a New Course for the UW System

Committee on **Our Partnership with the State**

Agenda

March 4, 2004

10:00 a.m.

Friedrick Center, Room 154

1. Review and discuss financial aid budget initiative
2. Further discussion of mechanisms for communication with legislative and executive branches of state government
3. Update on operating efficiencies

Achieving Operating Efficiencies Work Group
March 4, 2004, 10 a.m.
Friedrick Center, Room 216
Agenda

1. Approval of January 7, 2004 and February 5, 2004 meeting minutes
2. Capacity-related discussion topics:
 - a. Capacity in context
 - b. Student support services
 - c. Faculty workload and productivity
 - d. Campus facilities
3. Access-related discussion topics:
 - a. General education requirements
 - b. Options for high school students to earn college credits
 - c. Distance education
4. Expanded preliminary work group recommendations
5. Additional recommendations
 - a. Efficiency-related
 - b. Access-related
 - c. Other
6. Report format and schedule
7. Goals for April meeting
8. Other

Minutes – DRAFT
Achieving Operating Efficiencies Work Group
Board of Regents of the University of Wisconsin System
February 5, 2004

The Achieving Operating Efficiencies Work Group met at 10:35 a.m. at the Pyle Center, Madison, Wisconsin. All work group members were present: Regent Mark Bradley, (Chair), Regent Nino Amato, Vice President Debbie Durcan, Student Representative Alan Halfen, Chancellor Douglas Hastad, Academic Staff Representative Therese Kennedy, Chancellor Jack Miller, Regent Jose Olivieri, Faculty Representative Lisa Seale, Regent Emeritus Jay Smith, Chancellor Charles Sorensen, Vice Chancellor Andrew Soll, and Director of Operations Review and Audit Ron Yates. Also present were Assistant Vice President Nancy Ives and Assistant Director of Operations Review and Audit Jane Radue.

Transforming Instructional Delivery

The Achieving Operating Efficiencies Work Group initially met in joint session with the Re-Defining Educational Quality Work Group; the groups were joined by Dr. Alan Guskin of the Project on the Future of Higher Education, who had just completed a presentation to all Charting a New Course work groups. Regent Bradley began the meeting by stating that the joint meeting's purpose was to identify and try to answer a focus question that involves both groups. Regent Bradley called upon Vice President Durcan to focus the discussion, based on last month's Achieving Operating Efficiencies meeting.

Vice President Durcan indicated that the Achieving Operating Efficiencies Work Group was interested in how to achieve greater efficiency in instructional delivery. Traditionally this has been done by serving more students through an increase in faculty workload, thereby decreasing the cost per student; however, this could diminish the quality of education. Also, she posed a question about what kind of investment would be needed to generate the kind of change about which Dr. Guskin had spoken. Regent Bradley suggested the groups imagine that they are charged with implementing this change.

Sr. Vice President Cora Marrett added that a vision of student learning and quality as the drivers of change also brought the groups together; these should be emphasized, and then efficiencies can be identified. She also asked: 1) how the groups can draw upon existing experiments in alternative methods of instructional delivery; and 2) who needs to be in the conversations leading to enhanced learning and quality outcomes. Regent Fred Mohs, chair of the Re-Defining Educational Quality Work Group, further suggested the need for a framework for encouraging experimentation and innovation.

Dr. Guskin responded that the nature of the framework needs to be substantial – perhaps 800 to 1,000 students and a related ratio of faculty – with the faculty given time to work with the administration to carefully plan a meaningful experiment; also, there should be more than one experiment.

Chancellor Miller cited the Western Governors University model as an example of using objectives and learning outcomes, assessment, contracts for software, and mentors, while lessening the investment. Dr. Guskin replied that Western Governors University made mistakes; it did a wonderful job on assessment-of-learning issues, but it used on-line programs at traditional institutions for its delivery system. It was cost effective, but not innovative. The University had to contend with the existing problems at the institutions with which it worked. Also, Dr. Guskin commented that he liked the mentoring system; but distance learning can be used only in limited programs, because undergraduate education requires significant interaction with faculty.

The discussion turned to UW-Stout's effort to become a charter institution and the possibility of using UW-Stout as a model. Dr. Guskin suggested that UW-Stout, although innovative, has restrictions just as the other campuses have. He said he would not suggest choosing a single institution as a model because of the political problems inherent in imposing one model on other institutions. He suggested that student-to-faculty ratio and funding are controlling issues, but within these constraints it is important to start a totally new model. Dr. Guskin responded similarly to a suggestion to implement the "Carol Twigg model," used as a way to design a statistics course at Pennsylvania State University. Dr. Guskin said that a systemwide policy would create conflict on campuses. He said faculty are under stress, and they know that change has to occur; they should be encouraged to be creative and to develop experiments at individual campuses.

UW-Madison Provost Peter Spear noted that there are a number of experiments going on at UW-Madison. He agreed with Dr. Guskin that having a mandated process will not work and that there are faculty interested in conducting experiments. He noted, though, that resources are an issue; there needs to be a reward system for faculty who participate in the experiments. He also suggested that experiments need to be incremental and discarded if they fail, adopted if they succeed. He asked whether there is evidence that innovation in delivery modes saves money.

Dr. Guskin said Carol Twigg's work has demonstrated savings. The problem with the incremental mode is that all of the basic costs are still present, plus the costs of the experimentation. Until a significant change is made in the delivery system, the existing costs remain. He stressed that more than one experiment is needed. Also, he said that UW-Madison is too large and complex to be a good starting point for experimentation, although it might work to try experiments in individual schools or colleges at UW-Madison. A college within an institution might be a possible venue, if it is "bounded," so that it has fewer requirements and an existing infrastructure of software, etc.

Regent Mohs asked Dr. Guskin what question should be posed to faculty to prompt them to suggest experiments. Dr. Guskin suggested first setting the financial and quality parameters; he then listed some possible criteria – the experiment should be cost effective, be of high quality, and use the best that we know about teaching and learning strategies. The first order of business would be to set the vision. This could be done, for example, by 150 faculty in three groups of 50; these faculty would agree to the set of learning outcomes that are common across the three groups. The vision must be clear, strategic and directional. The faculty would communicate the

proposed vision to the leadership of the System and institutions, who would facilitate the process by supporting the vision if they find it acceptable.

Regent Emeritus Smith reiterated the importance of first articulating the intended accomplishments. He noted that unlike in the business world, change occurs slowly in higher education; but he suggested that faster change seems to be required in the current environment. He said that both short-term and long-term decisions are necessary. Dr. Guskin affirmed that change in higher education takes a long time; he said that change in the past has been more evolutionary, and that will not work anymore. It is necessary to celebrate the small victories that occur in the process of change. Leaders need to be creative and know how to plan and how to motivate people.

Faculty Representative Seale asked about the long-term effects of outsourcing, using librarians differently, and other instructional methods, as well as about reducing instructional costs for faculty. Dr. Guskin replied that the cost of educating each student would be reduced by shortening the amount of faculty time with each student, while also increasing quality. Ultimately, fewer faculty would be teaching; this could be planned and accomplished carefully through retirements. Using new methods of learning will free up faculty time. Dr. Guskin said that he fears that if nothing is changed, the faculty will be ruined.

Faculty Representative Cliff Abbott noted that there is a fundamental tension between quality and efficiency. Education is an on-going search for the truth, so the challenge is to not look for the optimum solution; this would interfere with quality education. Dr. Guskin agreed that there is no single right way; this is the reason for experimenting.

Regent Bradley thanked Dr. Guskin. The joint meeting adjourned at 11:20 a.m.

Prospective Achieving Operating Efficiencies Recommendations

The Achieving Operating Efficiencies Work Group reconvened at 11:30 a.m. to discuss the January 28, 2004 working draft of the Achieving Operating Efficiencies Work Group Preliminary Recommendations. Regent Bradley said that some recommendations were still being developed and will be provided in time for the March meeting.

Regent Bradley led a discussion of each draft recommendation:

Budget-Related Items

1. The capital building program recommendation follows from the earlier discussion on this topic. (No discussion.)
2. The procurement-process recommendation came out of the report and discussion on consortium contracts for purchasing. (No discussion.)
3. The cash-management and investing recommendation could be controversial, depending on how it is discussed with the Governor and Department of Administration. If the

recommendation is to “let us handle our cash,” then this has an effect somewhere else in state government. The recommendation would be: 1) the state of Wisconsin would allow the UW System to manage its own cash; 2) the UW System would make the state whole by the amount of interest earnings the state is now getting; and 3) the UW System would then keep any increase in earnings. Regent Olivieri asked what happens if there is a loss; Director Yates suggested that the risk of a loss is low, because the UW System would make longer-term investments. A brief discussion about the mechanics of implementation followed. Regent Emeritus Smith stated that this cash-management idea has been around for a long time; the current version offers a new twist in that it gives the state an incentive to approve it, so that is an improvement. Vice Chancellor Soll suggested that the capabilities of the accounting system can be used to time payments; Regent Bradley said that this should be incorporated into the recommendation.

4. The recommendation regarding collaborative programs needs further explanation so that readers will understand what is meant. Vice President Durcan noted that the recommendation refers to the January paper on collaborative programs and the examples of institutions’ sharing staff expertise and combining resources. During a discussion about whether this recommendation has budgetary impact, Director Yates said that funding reallocation has been used in the past. However, Vice President Durcan said that there might be new costs; the West Central Wisconsin Consortium, for example, had a program director and other costs.

Non-Budget-Related Items or Items with Unknown Budget Impact

5. During the discussion of the recommendation to study administrative functions for possible improvement, Regent Emeritus Smith suggested that “administrative functions” be changed so that readers do not conclude that this refers to “central administration.” “Non-teaching services across the System” was suggested as an alternative. Also, Vice Chancellor Soll suggested that including the savings achieved at other higher education institutions is risky, because this may not predict the UW’s savings. Regent Olivieri commented that he would like to see more recommendations that pertain to what the UW System can do differently without needing state approval. Regent Amato suggested adding a timeframe for the studies described in this recommendation.
6. The recommendation related to periodic review of the UW System’s and institutions’ missions was discussed in the context of Dr. Guskin’s emphasis on vision, rather than mission, as a guide for change. After some discussion, group members concluded that the recommendation needs to be expanded to reflect the importance of alignment among institutional mission, vision, priorities, and budget. This recommendation will be moved up on the list.
7. The recommendation on academic program review was discussed as a resource issue; using criteria to trigger program reviews could help ensure unneeded programs are eliminated, leading to cost savings. This recommendation also will be moved up on the list.

8. The recommendation on lateral reviews needs further explanation. Also, Chancellor Miller suggested changing the reference to continuing the lateral review process, since “continue” does not convey the impression of a bold initiative; “reinstate” or “implement” were suggested as alternatives. It was also suggested that lateral reviews be incorporated into the program-review recommendation and that consideration of state needs, as well as student needs, be listed as benefits.

The recommendations will be revised for discussion at the next meeting.

Vice President Durcan asked whether the group wants to follow up on the joint discussion with Dr. Guskin by developing a recommendation on experimentation in student learning. The ensuing discussion covered: 1) the possibility of recommending pilot and incubator programs; 2) questions about whether such a recommendation would be an initiative for the budget or a reallocation effort; and 3) a suggestion to enhance the existing quality of the faculty-staff interaction by finding ways to save faculty time. The group concluded that any recommendation about experimenting with methods for enhancing instructional quality would need to be developed jointly with the Re-Defining Educational Quality Work Group. Vice President Durcan and Director Yates will coordinate with staff for that group.

The meeting adjourned at 12:40 p.m.

Achieving Operating Efficiencies Work Group
March 4, 2004
Discussion Paper: Student Support Services Capacity

The Achieving Operating Efficiencies Work Group expressed interest in examining capacity utilization. The central issue to capacity utilization is how the UW System can serve more students with existing resources. This paper is one of three papers addressing capacity utilization and focuses on student support services. The goals of this discussion paper are to: 1) provide a flavor of the different types of student support programs; 2) discuss the current student support services capacity in the UW System and how the UW compares to national standards or other institutions; and 3) offer examples of where efficiencies have been achieved in student support services.

STUDENT SUPPORT SERVICES

According to the Council for the Advancement of Standards (CAS) in Higher Education, student support services encompass a comprehensive range of programs and services aimed at “promoting learning, personal development, and retention for college students.”¹ Table 1 lists examples of the academic and non-academic student support services that UW institutions commonly offer, based on information posted on UW websites and program definitions in the UW Shared Financial System.

Table 1
Examples of Student Support Services

PROGRAMS	EXAMPLES
Academic Support Services	
Course and Classroom Support	Library Resources; Educational Media Services; Academic Computing Support; Services for Students with Disabilities; Adult Student Services.
Student Services	Admissions and Enrollment Services; Academic Testing and Placement; International Student Services.
Generalized Skills and Enhancement	Tutoring Services; Study Skills Workshops.
Personal Development and Planning	Academic Advising; Mentoring Programs; Orientation; Career Counseling; Personal Counseling.
Non-Academic Support Services	Student Housing; Food Services; Parking; Transportation; Student Union; Financial Aid; Student Health Services; Child Care Services; Intramural Athletics; Intercollegiate Athletics; Student Records; Social and Cultural Development.

At many higher education institutions, including some UW System institutions, the boundaries between academic and non-academic support programs are diffused because of funding, administrative structure, and institution focus. For instance, a number of UW institutions have integrated aspects of academic support services with student housing. In addition to offering tutoring and computing support services at the residence halls, students with similar academic

¹ Council for the Advancement of Standards Self-Assessment Guide. December 12, 2003.
<<http://www.csustan.edu/President/StrategicPlanning/pages/Goals-Pathways2Future/Goals/6-Goal.pdf>>.

interests or freshmen and their mentors are housed in specific residence halls in order to create a living environment conducive to learning.

How much UW System institutions actually spend on student support services alone is not easily determined. UW System institutions report their costs through the UW Shared Financial System, and the expenditures are rolled into 11 broad programs or activities. While some expenditures for academic services, such as faculty advising, are reported under instruction, expenditures for student support services are reported in any of these three categories:

- **Student services:** Student services include funds expended for offices of admissions, registrars, and those activities whose primary purpose is to contribute to the student's emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. Included are expenditures for student services administration, student data processing, social and cultural development, intercollegiate athletics, counseling and career guidance, financial aid administration, student admissions, student records, student health services, child care services, educational opportunity, transportation services, and related mandatory transfers/debt service.
- **Academic support:** This category includes funds expended for services that support UW institutions' primary mission of instruction, research, and public service. Expenditures for some student support services, such as libraries, ancillary support, academic advising, instructional technology, and academic computing support, are reported under this category.
- **Auxiliary enterprises:** This category includes funds expended for self-supporting programs that exist to furnish goods or services to students, faculty, or staff. Expenditures related to student support services that are reported in this category include housing services, food services, retail sales, and parking services.

Table 2 shows the expenditures and funding sources for these three categories in 2002-03.

Table 2
Expenditures and Funding Sources for Student Services, Academic Support,
and Auxiliary Enterprises

PROGRAM	FUNDING SOURCE			TOTAL
	General Purpose Revenue	Program Revenue	Segregated Funds	
Student Services	\$107 million	\$7.8 million		\$114.9 million
Academic Support	\$256 million	\$1.2 million		\$257.3 million
Auxiliary Enterprises		\$251.8 million		\$251.9 million

Source: UW System Financial Administration

UW System does not establish a funding formula or set specific funding amounts for student support services. The practice is not unique to the UW System. Very few states or higher education institutions have established a funding formula for student support programs. Among those that established a funding formula, the formula varies considerably.

STUDENT SUPPORT SERVICES CAPACITY

Measuring student support services capacity is extremely difficult because of the nature of these programs. Some services, such as academic advising, student data processing, or counseling, are process oriented and would require assessment of processes before a determination could be made whether capacity exists to serve additional students. Other services, such as student housing and libraries, to a certain extent, are heavily dependent on physical space. Capacity has to be assessed within the framework of the institutions' mission and goals for each particular student support service, including the goal of maintaining quality. Furthermore, the lack of quantitative standards and the different structure of student support programs make comparison difficult. While some national standards exist for selected programs, the standards provide qualitative criteria more than they establish specific quantities.

To highlight the complexity surrounding the determination of capacity, below are discussions of three services – on-campus housing, academic advising, and library resources. Existing capacity, comparative standards, and future considerations were examined in each area. These three programs by no means reflect all the intricacies of all student support programs. Also, they are not necessarily more significant than other programs.

On-Campus Housing

In 2003, the UW System Office of Operations Review and Audit conducted a review of UW residence halls programming, occupancy requirements, and safety.² UW System policy requires certain freshmen and sophomores attending most UW System institutions to live in residence halls. Included in the review was an analysis of UW institution housing capacity and occupancy rates between 2000 and 2002. The analysis revealed that the systemwide three-year average revenue occupancy rate, which is derived using each UW institution's reported revenue capacity and the total number of revenue generating residents, was 100 percent. (See Table 3.) The occupancy rate has deviated very little during the three years.

With the majority of residence halls at or near capacity, a number of changes would have to be made in order to serve more students. Although the UW building program is funded largely by bond revenues, residence halls are self-supporting enterprises paying their own debt service. Thus, constructing new residence halls would be one option. However, the current state building program process hinders the speed at which the UW System could respond to enrollment growth. Modifying the current building program process to enable the UW System to effectively respond to enrollment growth might require statutory changes. If the UW System could issue its own program revenue bonds, it would be more responsive to an increased demand for housing. To achieve greater efficiency in their building programs, some higher education institutions have set up separate non-profit organizations to manage auxiliary enterprises and to issue debt, while others have outsourced on-campus housing.

² Final report has yet to be issued.

Table 3
UW Institution Housing Capacity and Occupancy Rate
Three-Year Average: Fall 2000 to Fall 2002

UW INSTITUTION	HOUSING REVENUE CAPACITY	REVENUE GENERATING RESIDENTS	AVERAGE OCCUPANCY RATE *
Eau Claire	3,633	3,816	105%
Green Bay	1,545	1,497	97%
La Crosse	2,724	2,795	103%
Madison	6,806	6,874	101%
Milwaukee	2,453	2,454	104%
Oshkosh	3,316	3,277	99%
Parkside	735	721	98%
Platteville	2,251	2,142	95%
River Falls	2,110	2,126	101%
Stevens Point	3,041	3,002	99%
Stout	2,660	2,623	99%
Superior	667	567	85%
Whitewater	3,787	3,657	97%
Total/Average	35,627	35,551	100%

*The institutions that are above their revenue capacity typically house students in residence hall lounges or dens; UW-Eau Claire also contracts for hotel space for students.

Sources: UW System Residence Hall Occupancy Reports, Fall 2000, Fall 2001, and Fall 2002

Academic Advising

Another student services area that would be affected by an increase in the number of students is academic advising. Academic advising services are intended to help students understand the academic landscape and to provide support as they proceed through their college education. In addition to a generally positive impact on the students' academic performance and on students' personal satisfaction with their college experience³, some leading researchers and experts in academic advising suggest that improvements in advising systems result in substantial increases in student retention.⁴

The structure for academic advising varies considerably from institution to institution and even from school to school within the same institution. This complicates any determination of available capacity. Nonetheless, certain academic advising services are common at higher education institutions, including UW System institutions:

- **Faculty advising:** Virtually all faculty members advise students. Faculty advisors provide students with information about departmental requirements; help them develop a course of study; and provide advice, counseling, and assistance as students progress through their programs. According to a survey by the American College Testing (ACT) Program, faculty

³ Faber, Brenton and Catherine Avadikian. *Writing Centers and Academic Advising: Towards a Synergistic Partnership*. January 2, 2004. < http://wac.colostate.edu/aw/articles/faber_avadikian2002/faber_avadikian2002.pdf>.

⁴ Gordon, Virginia. *Handbook of Academic Advising*. Westport, CT: Greenwood Publishing Group, 1992.

provide the majority of academic advising in colleges and universities.⁵ Faculty in business and humanities programs at six institutions that participated in a survey reported spending between 10 and 20 percent of their time each week advising students.⁶

Estimating advising capacity is complicated by faculty members' need to balance advising with other responsibilities. For example, a self-study of academic advising at the University of New Hampshire found that the demanding schedules of faculty leave scarce time for advising; even though faculty typically believe advising is part of the job, there are few rewards for good advising. Further, advising carries little formal recognition in the promotion and tenure process.⁷ In addition, at many higher education institutions only tenured or tenure-track faculty advise students, but at some institutions academic staff also carry an advising load. The assignment of advising responsibilities can affect an institution's capacity to advise additional students.

- School or college advising: In addition to the advising services provided by the faculty, some institutions may also develop advising services at the school or college level. School or college advising services help students choose a major based on their skills, interests, and life goals; help students choose their major advisors; and link students with other social, cultural, and academic support services available on campus.
- Campus-wide advising: Campus-wide advising services may be established for specific purposes, such as freshman, at-risk-student and transfer-student advising; cross-college advising; or coordinated advising among the various departments.

The school or college and campus-wide advising services are intended to supplement faculty advising. The services are typically provided by non-instructional academic staff with specialized training in student personnel work and counseling.

The UW System has established a systemwide task force on academic and career advising to develop strategies for enhancing advising. Some initiatives of the task force include supporting campus efforts to assess advising programs, developing a website on best advising practices and principles, securing funding for unmet advising needs at UW System institutions, and providing training and professional development for advisors.

Student-to-faculty ratios are not typically included in advising standards. The standards for academic advising adopted by the National Academic Advising Association⁸ and by some higher education institutions, such as University of Texas at Austin and California Polytechnic State University, focus largely on the values of academic advising. (The National Academic Advising Association is an organization of professional advisors, faculty, administrators, and students who

⁵ Habley, Wesley and McCauley Morales (Eds.). 1998. *Current Practices in Academic Advising: Final Report on ACT's Fifth National Survey of Academic Advising*. National Academic Advising Association & ACT Inc. Monograph Series No. 6.

⁶ See footnote 3.

⁷ University of New Hampshire. *NEASC Self-Study*. December 12, 2003. <http://www.unh.edu/neasc/doc/advising_report.pdf>.

⁸ NACADA. (1994). *NACADA Statement of Core Values of Academic Advising*. December 12, 2003. <http://www.nacada.ksu.edu/Clearinghouse/Research_Related/corevalues.htm>.

do academic advising or otherwise work to promote quality academic advising on college and university campuses.) The standards and guidelines for an academic advising program established by the Council for the Advancement of Standards in Higher Education (often referred to as CAS standards) provide only general parameters for academic advising. None of these standards establish quantitative criteria, such as desirable advisor-student ratio or amount of funding, for academic advising. However, a review of literature and some higher education institution websites reveals some information on quantitative criteria for academic advising. For instance:

- Cornell expects each faculty member to advise at least ten undergraduate students, including freshmen and sophomores who have not yet declared their majors and upperclassmen in the faculty member's department.⁹
- Bismarck State College faculty members cannot have more than 50 advisees except under special circumstances.¹⁰
- A national survey by the ACT Program found that the mean advising loads for full-time faculty at two-year and four-year public colleges were 30 and 26, respectively.¹¹
- The ACT Program director recommended a target ratio of 300 students per staff person in a full-time advising position.¹²

UW System institutions do use the CAS standards as guidelines for their academic advising programs, but they do not set advising load criteria. The advising load is determined by the department, and the load varies from department to department and even from major to major. UW System does not track advising load centrally. Academic advising capacity at UW institutions is best determined by the institutions, taking into account at least the following factors: 1) goals and expectations for advising; 2) methods for assigning students to advisors; 3) approach to advising; 4) faculty and staff advisor workload; and 5) use of advising-enhancing technology, such as e-mail, access to student records, and other Internet resources.

Libraries

Libraries represent another student support service that would be affected by adding students. UW System has a total of 47 library service outlets – 19 at UW-Madison, 13 at UW Colleges, four at UW-Milwaukee, and one at each of the remaining institutions – and spent over \$64 million in 2001-02 for library services. (See Table 4.)

⁹ Cornell University. *Academic Advising Is Important in Undergraduate Education*. December 12, 2003. <<http://www.arts.cornell.edu/stu-adv/fachnbok/sec1.htm#div2-1>>.

¹⁰ Bismarck State College. *Faculty Workload Policy*. January 6, 2004. <<http://www.bismarckstate.edu/hr/facpol/fac11.pdf>>.

¹¹ National Academic Advising Association. *Advisor Load*. January 6, 2004. <http://www.nacada.ksu.edu/Clearinghouse/Advising_Issues/advisorload.htm>.

¹² UW System 2001-03 Biennial Budget Proposal.

Table 4
UW Library Staffing, Expenditures, and Volumes: 2001-02*

UW INSTITUTION	STAFF (FTE)	TOTAL EXPENDITURES	LIBRARY VOLUMES
Eau Claire	49.03	\$3,016,638	760,658
Green Bay	24.59	\$1,302,812	339,003
La Crosse	34.41	\$2,200,856	658,581
Madison	513.00	\$33,614,104	6,216,006
Milwaukee	267.00	\$7,713,392	2,141,859
Oshkosh	35.44	\$2,327,489	580,127
Parkside	20.20	\$1,352,791	396,291
Platteville	34.45	\$1,583,461	n/a
River Falls	27.50	\$1,242,309	300,715
Stevens Point	46.85	\$2,485,783	1,002,381
Stout	37.45	\$2,159,306	218,673
Superior	17.35	\$730,619	252,155
Whitewater	31.64	\$2,001,584	647,029
Colleges	49.11	\$2,316,576	538,866
Total	1,188.02	\$64,047,720	14,052,344

*Library data are collected only every other year. Data for 2001-02 are the most current.

Source: UW System Office of Learning & Information Technology

The capacity of UW libraries is dependent on a combination of factors. Some of the factors include:

- **Building resources:** How much space is allocated for collection storage, for study and research, for staff workspace, and for library service functions; how the space is organized and used; and where the library space is located relative to other campus activities.
- **Services:** What services are provided, hours of operation, and accessibility of library resources to the users.
- **Staffing:** How the libraries are staffed and whether the staff have the appropriate level of knowledge and skills.
- **Collections:** The size of library collections, the formats in which the collections are available, how the collections are accessed and managed, and how UW library collections are shared among UW System institutions.

Standards for college libraries, which are widely accepted by higher education institutions, are developed by the Association of College and Research Libraries, a division of the American Library Association. The Standards for College Libraries, which the UW doctoral and comprehensive institutions follow, were approved in 2000. The Standards for Community, Junior, and Technical College Learning Resource Programs, which the UW Colleges follow, were approved in 1994. The community college standards and subsequent college library standards relied heavily upon specification of quantities as standards, such as size of library collections, student seating, and library staffing. The current college libraries standards have

shifted away from the input-based standards to include outputs and outcomes. Rather than specifying the quantities, the new standards encourage college libraries to choose their own peer groups for comparison and to assess other essential aspects of library operations, such as planning, services, access, administration, budgets, and policies.

In addition to the changes in the standards, the nature of library services has changed significantly. UW System libraries have collaborated in cooperative collections development and universal borrowing. Cooperative collections development enables UW System institutions to reduce duplication of purchases and to make some purchases which individual institutions alone would not have been able to afford. Universal borrowing allows UW students to access library resources from any UW System library. Cooperative collections development and universal borrowing can significantly increase UW library capacity, which would have been constrained by physical space at the individual institutions.

In addition to cooperative collections development and universal borrowing, technologies have greatly reduced physical storage spaces, while enhancing access to and delivery of library collections. Some UW librarians consulted for this paper indicated that their libraries can potentially absorb an additional 5 to 10 percent increase in enrollment at little cost by expanding electronic access and redesigning the existing spaces alone.

EFFORTS TO ACHIEVE EFFICIENCIES IN STUDENT SUPPORT SERVICES

The preceding discussions of on-campus housing, academic advising, and library resources highlight the difficulty of assessing UW institutions' student support services capacity. Other student support programs offer their own unique challenges. Despite the lack of a definitive answer to the question of whether UW System can serve more students with existing resources, it may be possible to expand student support services capacity. However, increased enrollment would affect the quality of services, such as causing longer waits for students to see advisors or unavailability of certain library resources at the time they are needed.

UW System institutions may be able to absorb a small increase in enrollment with the existing resources by seeking ways to improve performance or to reduce costs in the various programs. UW System institutions and other higher education institutions have demonstrated some success in achieving greater efficiencies in student support services through various methods. For example:

- Program restructuring: Program restructuring is the redesign of organization and management structures and processes to achieve greater efficiencies. UW-Eau Claire merged the Educational Opportunity Office, the Center for Academic Personnel, and Career Development into the Academic and Career Services unit. The merger eliminated one administrative position.
- Use of technology: UW-Milwaukee used dedicated computers for continuous student registration. The change resulted in eliminating the need for in-person registration, which involved hours of staff time.

- Outsourcing and privatization: A 2001 survey by Arizona State University revealed that 75 percent of the participating colleges and universities had outsourced their food services.¹³ The same survey found that 46 percent of the colleges had outsourced their bookstores. A number of UW institutions, including UW-Eau Claire, Parkside, Platteville, River Falls, and Stout, have outsourced their bookstores. Outsourcing the bookstore at UW-Stout has resulted in savings on remodeling costs, inventory purchases, and commission payments. The University of Texas-Dallas has outsourced a portion of its student housing in order to offer on-campus housing without having to make a capital investment or fund the infrastructure to manage housing operations. The university estimated \$500,000 in annual savings from privatizing on-campus housing.
- Collaboration: UW System libraries have collaborated in collections development and universal borrowing. The collaboration enabled UW System institutions to reduce duplication and to expand access without additional costs.

Improving efficiency does not directly or automatically result in increased capacity in all cases. However, some programs may be modified to serve more students by consolidating certain functions or streamlining program processes and by reinvesting the savings to build up capacity.

CONCLUSION

The question of whether student support services can support a potential increase in enrollment can only be answered after a complete assessment of the administration, management, and processes of each student support service. The assessment would be best conducted by the UW institutions themselves, as the capacity in each area will need to be assessed within the framework of the institutions' mission and goals for each particular student service.

¹³ Agron, Joe. *Privatization/Contract Services Survey*. January 6, 2004. <<http://images.asumag.com/files/134/109as23.pdf>>.

Achieving Operating Efficiencies Work Group
March 4, 2004
Discussion Paper: UW System Capacity – Faculty Workload and Productivity

The Achieving Operating Efficiencies Work Group expressed interest in UW System capacity in three areas: faculty workload, facilities, and student services. This paper focuses on aspects of faculty workload and attempts to answer three questions: 1) what are the current expectations for faculty workload; 2) what efforts have been made to measure instructional and teaching capacity; and 3) what is a long-term approach to planning for increased instructional capacity without adding resources.

In response to decreasing public support and increasing demands for accountability, higher education institutions have begun seeking opportunities to operate more efficiently, including scrutinizing faculty workload. Adjustments to faculty workload are seen as an opportunity to increase instructional capacity without additional resources. Since faculty salaries comprise the largest budget item for most universities – approximately 85 to 90 percent of direct instructional costs – overall institutional costs are sensitive to changes in faculty workload and productivity.¹

Faculty workload – the total set of activities in the formal and informal job description – can include such activities as research, administration, service, instruction, and advising. The instructional component of faculty workload includes both: 1) in-classroom teaching; and 2) out-of-classroom instructional activities, such as instructional preparation, student advising, involvement in undergraduate research, and faculty mentorship. The actual workload varies by individual faculty member and by institution.

FACULTY WORKLOAD GUIDELINES

A review of UW faculty workload policies indicates that Regent Policy Document 94-2, Faculty Education Workload Policy, recognizes the full array of educational responsibilities assigned to faculty, as well as reasonable variation among institutions with differing missions and programs. Under the policy, institutions are asked: to maintain a written workload policy; to regularly assess and document the quality of the student education experience; to enhance faculty involvement in undergraduate education consistent with quality, cost, and mission requirements; and to gather, maintain, and monitor data in workload activities.

Each UW institution has created faculty workload guidelines that specify a normal teaching load. The majority of UW institutions define a normal teaching load as 24 undergraduate credits per year, or 12 course credits per semester or 12 hours per week. This is consistent with the upper bounds of the American Association of University Professors (AAUP) guidelines, which call for a maximum teaching load of 12 hours per week, as shown in Table 1.

¹ Understanding Faculty Productivity – Standards and Benchmarks for Colleges and Universities, Michael F. Middaugh, 2001, p. 125.

Table 1
American Association of University Professors
Faculty Teaching Load Guidelines

TYPE OF INSTRUCTION	MAXIMUM TEACHING LOAD*	PREFERRED TEACHING LOAD
Undergraduate	12 hours per week, with no more than 6 separate course preparations during academic year	9 hours per week
Partly or Entirely at Graduate Level	9 hours per week	6 hours per week

*In-classroom teaching

AAUP guidelines establish maximum and preferred workload limits for any institution intending to achieve and sustain faculty effectiveness in teaching and scholarship.² A 1994 AAUP report found that 21 states had established some kind of mandate related to faculty workload. AAUP recognizes that teaching load guidelines fail to consider other time-consuming instructional duties of faculty, such as preparation, grading and examinations, and supervision of remedial or advanced student work.

UW institutions sometimes hire instructional academic staff, rather than faculty, to fill teaching positions. Full-time instructional academic staff are expected to teach 12 to 15 credits per semester.³ Budget constraints have prompted greater reliance on instructional academic staff, who often can be hired more quickly, at lower cost, and for a limited time period. Hiring instructional academic staff can provide institutions with greater flexibility to respond both to budget concerns and to student interests or specialized instructional needs. However, an increase in the number of instructional academic staff can result in a dilution of staff who provide academic advising, conduct research, and participate in governance.

Hiring faculty may be viewed as the preferred approach for improving overall instructional quality or strengthening the research mission of an institution. Wisconsin law defines faculty as professors, associate professors, assistant professors, or instructors.⁴ Faculty are typically considered to be those hired for tenured or tenure-track positions.

MEASURING FACULTY INSTRUCTIONAL ACTIVITY

Efforts to assess whether instructional capacity can be increased include analyzing faculty activity data in comparison to peer or national data. Most potential measurement methods are subject to the difficulty of capturing intangible inputs and outputs of faculty efforts, such as teaching preparation time and student learning. Also, measuring the hours spent in a classroom or the number of journal articles produced tells little about the quality of instruction provided or the quality of the scholarship.

² "Statement on Faculty Workload With Interpretive Comments", American Association of University Professors.

³ Teaching Academic Staff in the UW System, UW System Office of Academic Affairs, 1998, p. 5.

⁴ Section UWS 1.04, Wis. Adm. Code.

Nevertheless, a number of approaches have been used to quantify the components of faculty workload. Two primary approaches include conducting faculty activity studies and instructional workload studies.

- **Faculty activity:** Faculty activity studies have been done since 1919 and have shown fairly consistent patterns of total hours worked and distribution between instruction, research, and public service.⁵ Table 2 summarizes data from the National Survey of Postsecondary Faculty (NSOPF), a longitudinal study that has been administered by the U.S. Department of

Table 2
Distribution of Faculty Activity by Type of Public Institution: 1988 and 1999

FACULTY ACTIVITY ¹	INSTITUTION TYPE							
	Research		Doctoral		Comprehensive		Two-Year	
	1988	1999	1988	1999	1988	1999	1988	1999
Instruction	43.6	45.9	47.8	47.4	63.5	63.1	73.3	71.9
Research	30.1	25.9	22.8	19.4	12.3	11.1	4.2	3.8
Administration²	13.9	13.1	14.7	15.2	12.8	12.8	10.9	11.5
Public Service³	12.3	15.1	14.7	18.0	11.4	13.0	11.6	12.9

¹ Full-time instructional faculty and staff only. Colleges and universities often group all instructional staff into a single category of faculty and instructional staff that includes tenured and tenure-track faculty, along with non-tenure track and part-time employees.

² Includes department or institution-wide meetings or committee work.

³ Includes public service, professional growth, outside consulting, and non-categorized.

Education's National Center for Education Statistics. These data show that the percentage of time devoted to instruction was similar in 1988 and 1999, with variations occurring according to institutional type. For example, faculty at comprehensive and two-year institutions spend more time in teaching activities, and faculty at research universities spend more time in research activities.

- **Instructional workload:** Another type of analysis focuses specifically on the instructional workload of faculty. These studies examine measures such as average course loads, contact hours, and credit loads. The data show significant variance according to type of institution, academic discipline, and faculty rank. Table 3 summarizes NSOPF data and shows that faculty across all institution types have maintained or increased the number of classroom hours and student contact hours since 1988. Classroom contact hours are the number of hours spent teaching group instruction courses, while student contact hours are the number of hours spent teaching group instruction courses multiplied by the course enrollment.

⁵ "Faculty Productivity Issues in the State Universities", MGT of America, July 2002, pp. 2-6.

Table 3
Average Number of Classroom and Student Contact Hours in Public Institutions
Per Week in For-Credit Courses (by Full-Time, Regular Faculty)

TYPE OF PUBLIC INSTITUTION	CLASSROOM HOURS			STUDENT CONTACT HOURS*		
	1988	1993	1999	1988	1993	1999
Research	6.6	7.1	7.8	259	282	289
Doctoral	8.0	9.8	9.2	285	346	334
Comprehensive	10.5	11.0	11.1	319	338	320
Two-Year	15.2	16.4	17.2	427	458	425

* Number of hours per week teaching for-credit classes multiplied by the number of students.

Source: National Survey of Postsecondary Faculty

A drawback to such an analysis is that measures such as average classroom contact hours do not account for the time spent in class preparation, with students outside of the classroom, or on other instruction-related activities. Another drawback is that faculty activity studies rely on self-reported data, which critics devalue; but some researchers argue that consistency in findings has established the validity of the data over time.

The Office of Policy Analysis and Research (OPAR) maintains in-classroom teaching load data for UW System institutions. Table 4 summarizes faculty teaching load for all UW System institutions and shows a mixed trend in teaching load activity. Weekly group contact hours

Table 4
UW System Teaching Load Measures: Fall 1997 and Fall 2002

INSTITUTION STAFF	FACULTY		INSTRUCTIONAL ACADEMIC STAFF		GRADUATE ASSISTANTS	
	1997	2002	1997	2002	1997	2002
Madison						
Weekly Group Contact Hours	6.3	5.4	7.4	7.4	10.0	8.2
Avg. Student Credit Hours	199	196	210	212	150	133
Avg. Group Instruction	2.0	1.9	1.9	2.0	0.9	0.9
Avg. Individual Instruction	5.6	5.8	4.6	3.7	0.6	0.2
Milwaukee						
Weekly Group Contact Hours	8.7	6.6	13.4	14.3	10.0	7.9
Avg. Student Credit Hours	180	162	297	345	182	157
Avg. Group Instruction	2.7	2.0	4.2	4.3	0.9	1.0
Avg. Individual Instruction	3.5	3.0	5.0	2.7	0.0	0.0
Comprehensives						
Weekly Group Contact Hours	12.1	11.7	15.0	14.2	NA	
Avg. Student Credit Hours	289	286	350	349		
Avg. Group Instruction	3.4	3.4	4.5	4.5		
Avg. Individual Instruction	4.0	4.1	5.4	5.0		
Colleges						
Weekly Group Contact Hours	15.3	14.1	20.5	26.7	NA	
Avg. Student Credit Hours	239	287	321	390		
Avg. Group Instruction	4.0	4.0	6.2	9.1		
Avg. Individual Instruction	0.2	0.2	0.7	0.2		

refer to the number of hours per week a course meets; student credit hours describe credits per course section multiplied by course enrollment; and group instruction refers to lectures, while individual instruction includes such activities as field studies and internships. The number of hours of faculty instructional activity at UW institutions has in most instances remained stable or slightly declined, when 1997 is compared with 2002.

An assessment of UW System institution faculty teaching load or activity data is difficult because of the different definitions of faculty and varying ways of quantifying faculty workload. For instance, NSOPF measures faculty activity using classroom and student contact hours, while the UW System uses measures such as average student credit hours and group instruction. Such differences in faculty workload measures complicate any comparative analysis between UW System and other higher education systems or peer institutions. Given the limited value of such faculty workload and teaching comparisons, no conclusive analysis of instructional capacity can be conducted at this time.

FACULTY PRODUCTIVITY MEASURES

Limitations associated with faculty workload measures have led to efforts to better understand faculty activity by analyzing faculty productivity. As mentioned, efforts to assess faculty workload to date have primarily measured the amount of certain inputs, or faculty activities. Only recently have studies attempted to measure faculty productivity – the outcomes of faculty activity.

Faculty productivity is an estimate of the efficiency and effectiveness of a faculty member in achieving expected professional standards. It can include faculty members' efforts to stay current with research in their specialties, community service, or efforts to publish. Quantitative measures of faculty productivity can include the level of enrollment demand met through course openings, individual instructional activities (faculty research projects and internships) per full-time student, and research funding per faculty member. Qualitative measures include instructional quality or time spent in non-instructional activities, such as student advising.

The Delaware Study (The National Study of Instructional Costs and Productivity), begun in 1992, has become a clearinghouse providing interinstitutional comparisons at the academic discipline level. The purpose of this study is to develop a set of benchmarks on teaching workload, instructional cost, and productivity measures, by discipline. Some institutions have used information from the Delaware Study to determine or change their instructional cost structures. The Study also emphasizes non-instructional measures, such as research, publishing and advising, when assessing faculty productivity. Non-instructional measurements are useful in providing a fuller context of faculty workload and productivity, especially at research and doctoral institutions, by measuring areas that have a direct impact on instructional ability and quality.

Few state efforts have comprehensively documented and assessed faculty productivity, in part because of state budget systems that fund higher education based on faculty activity measures, such as total student credit hours taught.⁶ Also, there is reluctance to disseminate productivity

⁶ "Faculty Productivity Issues in the State Universities", MGT of America, July 2002, pp. 3-19.

data because it might be misunderstood.⁷ Some states, however, have begun to shift the focus to faculty productivity. A survey of State Higher Education Executive Officers (SHEEO) highlights general themes concerning faculty productivity assessment at the state level:⁸

- Benchmarking: Some states are exploring the use of peer or national benchmarking data, a valuable but time- and resource-intensive endeavor. North Carolina is implementing systemwide participation in the Delaware Study database. Some institutions seek national benchmark comparisons of faculty productivity in the absence of a state-based, systemwide approach.
- Learner-centered education: Interest in outcome measures relative to institutional effectiveness and learner-centered education is emerging. Arizona has developed categories of outcome measures centered on assessment of learner-centered education. Fourteen measures of institutional effectiveness and academic quality comprise a model developed by Virginia.

A better understanding of faculty productivity ultimately may be necessary for increasing instructional capacity. Based on information from other states, the following issues should be considered when establishing a faculty productivity model:

- National faculty performance benchmarks should be systematically applied by all institutions and involve peer comparisons by academic discipline and department level.
- Analysis of instructional activities alone provides an incomplete picture of faculty workload. Research and service activities, with a focus on outcomes, should be included in analyses of faculty productivity.
- Outcome assessments of faculty activity results should involve input from students, alumni, and employers.
- Faculty productivity should be considered in the context of institutional effectiveness to promote accountability.
- Productivity improvement strategies should be linked directly to the role and mission of the institution, as well as to any institutional incentive structure.
- Productivity improvement strategies require continuous measurement and assessment.

CONCLUSION

Existing data are not adequate to predict instructional capacity in the UW System. Some methods of increasing capacity could be and have been attempted, even without a quantitative basis. Examples include: increasing class sizes, increasing in-classroom teaching loads, or

⁷ “Faculty Productivity Issues in the State Universities”, MGT of America, July 2002, pp. 3-19.

⁸ “Faculty Productivity Issues in the State Universities”, MGT of America, July 2002, pp. 3-18.

hiring more academic staff in place of tenured and tenure-track faculty. However, these methods can conflict with providing a quality education by reducing out-of-classroom instruction, student advising, or other methods of student engagement with faculty. Attempts to expand instructional capacity need to be supplemented with efforts to monitor the effects on instructional quality.

Past efforts of measuring faculty workload have focused on documenting what faculty do, rather than on student learning outcomes. Continued budgetary constraints and calls for greater accountability will require higher education institutions and systems to become more comprehensive in their assessment of faculty productivity. Measuring student learning – the outcomes of faculty activities, rather than the activities themselves – may be a useful aspect of this assessment.

Achieving Operating Efficiencies Work Group
March 4, 2004
Discussion Paper: General Education Requirements

This paper is presented to the Achieving Operating Efficiencies Work Group in response to interest in UW institutions' general education requirements and facilitation of the transfer of students among UW institutions. This review included: 1) compilation of UW institution information concerning general education requirements; 2) review of the UW System's efforts to facilitate transfer; and 3) identification of other university systems' efforts to review general education requirements.

Review activities were limited to compiling general education requirements from UW institution catalogs, conducting interviews with selected UW institution staff, documenting policies and systems the UW System has implemented to facilitate the transfer of general education courses, and researching general education reviews conducted by other states and university systems.

OVERVIEW OF GENERAL EDUCATION REQUIREMENTS

General education requirements represent the academic subject matter that higher education institutions consider to be of basic importance to education. General education often consists of two components -- basic skills and knowledge domains. Basic skills or competencies generally include writing, speaking and quantification, while knowledge domains include natural sciences, social and behavioral sciences, humanities, and arts.

General education is a foundation for more specialized disciplinary study in other fields and builds intellectual skills and habits of thought; it can prepare students to know how to learn. The UW-Eau Claire general education requirements, for example, state that the program is provided to help each student attain basic competencies, breadth of knowledge and critical judgment and is designed to: 1) stimulate and direct learning throughout life; 2) provide exposure to methods of understanding; 3) promote active learning and a critical response to what is read, heard and seen; and 4) broaden individual perspectives and emphasize relationships among the fields of study with other cultures and times. Specialized knowledge alone cannot meet these needs.

A 1998 study by Pennsylvania State University found that it is not the particular general education curriculum model that defines a successful program, but how the model fits the particular institution. A 1998 presentation by Department of Education staff to a SUNY general education task force identifies five factors essential to developing a general education model:

- general education must be institutionally defined and designed for all learners, with the faculty responsible for determining curricula according to the mission and unique character of the institution;
- all faculty are essential to the development and implementation of a general education model, spanning all disciplinary groups;

- general education must be vertically integrated and organized to ensure basic building blocks are established to support higher-level study;
- student goals and outcomes must be clearly, precisely identified; and
- a comprehensive assessment plan is needed to document and profile general education competency, and institutions must be able to identify how well they are doing in meeting self-defined goals.

Facilitating transfer among institutions within a university system is an important issue. Since general education requirements consist of a significant portion of degree requirements for UW students, policies that encourage the transfer of general education requirements can help students save time and money toward completion of their degrees. For fall 2003, 3,773 students were identified as transfers among the UW institutions, according to UW System data. Of these, 1,617 transferred from one of the UW Colleges. Transfer efforts often focus on reducing loss of credit, redundant course work, and the resulting unnecessary cost.

UW INSTITUTION GENERAL EDUCATION REQUIREMENTS

All UW institutions include basic skills or competency requirements, as well as a distribution of coursework in various discipline areas, referred to as breadth of knowledge, liberal studies requirements, distribution requirements or subject-based areas. However, the type of courses and number of credits required for general education components vary among the UW institutions. While basic skills requirements are usually limited to specific course offerings, the number and type of courses that students may select to fulfill breadth of knowledge requirements are wide ranging. Types of UW requirements and efforts to review them are described below.

Variety of Requirements

The minimum number of general education credits at UW institutions varies. For example, UW-Milwaukee requires a minimum of 33 credits (or waiver of up to 12 credits of basic skills through proficiency); UW-La Crosse requires a minimum of 48 credits, as well as two writing emphasis courses. The general education requirements at several UW institutions, including UW-Madison, River Falls, Stevens Point and Stout, vary by college or degree sought. UW-Stevens Point, for example, requires six credits of natural sciences for students seeking a Bachelor of Arts degree, while Bachelor of Science students must complete twelve credits in natural science courses. Basic skills, breadth of knowledge and other requirements are as follows:

- **Basic Skills:** Basic skills or competency requirements are established to provide minimum proficiencies in such areas as communication skills (English composition or speech) and analytical skills (math or computer science courses). Some UW institutions include other required skills or competencies, such as information literacy, foreign language, or physical activity.

At some institutions, basic skills or competencies may be exempted as a result of UW System placement test scores or through other means. Several institutions note that competency requirements should be completed early in the academic career to ensure acquisition of critical skills for subsequent coursework. Some differences include:

- Communication skills vary in that some UW institutions require only English composition, while other UW institutions require English composition and/or speech.
- Composition requirements range from three to six credits. Many institutions permit this requirement to be waived through UW System placement test scores.
- Analytical skills usually include a required math course or waiver through the UW System placement test. Several UW institutions permit the requirement to be satisfied with logic, statistics or computer science courses.
- Breadth of Knowledge: Breadth of knowledge requirements are established to provide students with a range of knowledge in several broad areas. All UW System general education requirements reviewed for this paper included natural sciences, social or behavioral sciences and humanities components. Some institutions combine humanities and fine arts, while others have separate requirements for each area. The range of required credits varies widely in breadth of knowledge areas. Examples include:
 - Social Science requirements include courses from various disciplines, such as anthropology, economics, history, political science, psychology, and sociology. UW-Superior requires at least six credits, three of which are from Contemporary Society courses, and three from Human Behavior courses. UW-Parkside requires a 12-credit minimum, with six credits from Human Science and six credits from Historical Background and Multicultural Analysis.
 - Natural Science requirements include courses from disciplines such as biology, chemistry, earth science, physical science, mathematics, or computer science. Most institutions require students to complete at least one lab course. UW-Oshkosh requires eight credits, which must include a two-course lab science sequence and additional units selected from lab or non-lab science courses in a different discipline than the sequence courses. UW Colleges requires 11 credits in at least two disciplines.
- Other Requirements: Other requirements are sometimes established in addition to the competencies and breadth of knowledge areas. Some differences were noted in the following areas:
 - The UW System's Design for Diversity plan requires "organized instruction or programs on race and ethnicity as part of every student's undergraduate educational experience." This plan may be met through specific ethnic studies courses and/or by integrating ethnic studies into existing courses. Some institutions require one ethnic studies course, while others require several courses. UW-La Crosse, for example, requires three credits of

Minority Cultures or Multiracial Women's Studies, as well as six credits of International and Multicultural Studies - Becoming World Citizens.

- Some UW institutions require a foreign language component (or high school equivalent), while others do not.
- Several UW institutions require at least one course in Interdisciplinary Studies.
- Some UW institutions require health or physical well being courses, also referred to as health promotion, physical education, or wellness courses, ranging from one to three credits.

In addition to university-wide requirements, any college or school at the UW institutions may establish additional or more specific general education requirements for any or all of its degree programs. Courses taken to satisfy requirements for a major or minor program may be counted toward satisfying general education requirements, with certain restrictions.

UW Institutions' Review of General Education Requirements

UW institutions review their general education requirements periodically, as required by UW System Office of Academic Affairs' Academic Information Series (ACIS) 1.0, "Academic Planning and Program Review". The policy states, "Every 10 years, in conjunction with their North Central Association (NCA) accreditation reviews, UW institutions are required to report to the Board of Regents on their General Education programs. This report should include discussion of the institution's philosophy of general education, including specific goals for the general education curriculum; an overview of the current general education program; a description of how the general education curriculum provides students with opportunities to achieve institutional goals; and a description of [the] ongoing assessment process for reviewing and improving the general education program." UW Colleges, UW-Parkside and UW-Superior recently completed their NCA reviews and will be reporting to the Board of Regents.

UW institutions also review general education requirements, apart from the accreditation process, and develop courses designed to meet the requirements. At many UW institutions, policies and standards regarding general education requirements are made by faculty senate standing committees. Examples include:

- The faculty senate at UW-Stout has a General Education Committee responsible, in part, for reviewing, developing, and recommending policy and standards regarding general education; acting on requests to include courses in general education requirements; and participating in assessment education and advisement as they relate to general education. This committee forwards proposals for substantive changes in the general education curriculum, including category definitions and credit distribution, to the Curriculum and Instruction Committee.
- At UW-Milwaukee, an Academic Program and Curriculum committee of the faculty senate is responsible, in part, for establishing policy for general education requirements, approving courses to satisfy the requirements, and establishing minimum scores for proficiency exams.

According to the 2003-04 UW institution Achieving Excellence reports, several UW institutions have reported recent improvements in their general education requirements. These include:

- UW-Eau Claire has simplified several general education categories and reduced the number of upper division credits required in order to provide students greater flexibility in meeting their degree requirements. Additionally, the faculty created a university-wide general education category that will foster the development of interdisciplinary courses.
- UW-Green Bay reports use of the College Basic Academic Subjects Examination (BASE) as a means of assessing general education outcomes.

UW SYSTEM GENERAL EDUCATION TRANSFER EFFORTS

The UW System has been active in addressing both general education requirements and transfer of credits. Final reports from a 1995 UW System transfer work group and a 1997 UW System general education transfer work group resulted in various improvements. UW System efforts to improve the transfer of general education requirements include:

- Undergraduate Transfer Policy: UW System ACIS 6.0, “Undergraduate Transfer Policy,” revised in April 2000, incorporates provisions to facilitate the transfer of general education requirements, recognizing that mobility is common among students in higher education. The policy acknowledges the need to balance the varied and competing goals of facilitating transfer, while recognizing the distinct mission of each institution and the faculty role in development of the missions. Most importantly, this policy endorses nationally-established principles of accommodation for transfer and the award of academic credit by recognizing general education requirements in terms of broad academic areas, as well as specific courses. This policy’s provisions include:
 - Students awarded an associate degree at one UW institution who transfer to another UW institution are determined to have satisfied the university-wide general education breadth requirements. A 1987 Regent Policy Document established minimum general education breadth requirements for the associate degree totaling 40 credit hours in the areas of humanities and fine arts (9 to 15 credits), natural sciences/mathematics (12 to 16 credits), social sciences (9 to 15 credits) and integrated studies (6-credit maximum). The competency requirements established by the receiving institution are not satisfied by the associate degree. Students must meet general education and other requirements totaling at least 60 credits in order to obtain an associate degree.
 - UW institutions may award transfer credit for courses for which they do not have a comparable department or curricular area; and these courses, where appropriate, may apply toward satisfaction of general education and other degree requirements.
 - A course designated as fulfilling a general education breadth requirement at one UW institution should transfer as general education at the receiving UW institution.

- A course designated ethnic studies at one UW institution should be applied toward the ethnic studies requirement at the receiving UW institution.
- Transfer Information System: ACIS 6.0 stipulates that the Transfer Information System (TIS), which is administered by UW System, is an official institutional source of undergraduate transfer course and program information. UW institutions provide information and data necessary to keep the TIS current and accurate. The TIS website includes transfer course equivalencies, as well as a description of how each course may be applied toward general education. UW Colleges transfer planning guides have been added to the TIS website for use by UW Colleges students who transfer to the UW baccalaureate institutions.

ACIS 6.0 also requires that schools, colleges and departments should provide timely information to other UW institutions about all new programs and curricular changes and that institutions initiating curricular action should consider the effects of program development or modification on potential transfer students.

- UW-River Falls Pilot Project: As part of the Transfer Information System, UW-River Falls is currently using the national Course Applicability System (CAS) to provide transfer degree audits so that prospective transfer students and advisors can evaluate how transfer credits will apply toward their general education and major/program requirements. It is anticipated that, as resources become available, all UW institutions will add CAS.

OTHER STATES' AND UNIVERSITY SYSTEMS' REVIEW OF GENERAL EDUCATION REQUIREMENTS

Other states and university systems have recently studied general education requirements; some of these studies have focused on facilitating transfer among institutions within the state or university system. Described below are some of the results from other states' efforts:

Principles

Common learning goals or principles relating to general education objectives have been adopted by several university systems as a result of recent reviews. The University System of Georgia, for example, established a set of principles for each institution's core curricula to ensure quality and consistency with national patterns of excellence and to ensure that transferability does not emerge as an issue between System institutions. Principles include:

- encourage the development of written and oral communication skills and critical thinking;
- permit opportunities for interdisciplinary learning;
- include offerings that reflect the special characteristics of the institution;
- feature international components that increase global awareness and introduce the student to different cultural perspectives;
- include an informed use of information technology;
- employ pedagogy designed to increase intellectual curiosity and to initiate a continuing interest in the subject matter;

- feature courses that are challenging and rigorous and provide learning experiences that distinguish a field;
- introduce the methods used by technical and scientific professionals;
- be cohesive and provide entry to both specialized studies in a student's chosen field and remaining courses; and
- be designed with the assumption that students have met all admissions standards to the institution.

Studies and Policies

Several universities and university systems have explored their general education requirements in an effort to address other issues, such as common core curriculum, resource allocation, transfer problems, standardization versus diversity, and responsiveness of general education:

- **Minnesota Transfer Curriculum:** A 1998 University of Minnesota report, "The Minnesota Transfer Curriculum," addresses the challenge of developing a general education program across a system that attempts to balance: 1) the development of a general education curriculum according to each university's mission and student population, and 2) the best articulation for students transferring within the system. The 2001 Minnesota State Legislature incorporated general education transfer language that required the board to implement the Minnesota transfer curriculum at all state colleges and universities. Once a course meets the criteria necessary for inclusion in the transfer curriculum, it must be accepted for full credit in that area by all state colleges and universities.
- **Illinois Articulation Initiative:** Illinois has developed an Illinois Articulation Initiative (IAI) to ease transfer for students among Illinois colleges and universities through a General Education Core Curriculum (GECC). Over 110 two- and four-year public and independent institutions participate on a voluntary basis. The GECC is comprised of 37 to 41 credits in five areas: communication, mathematics, humanities and fine arts, physical and life sciences, and social and behavioral sciences. Completion of the GECC fulfills the lower-division general education requirements at all participating institutions. The GECC is a limited array of lower division general education courses that serve as a statewide generic substitute for a participating institution's general education curriculum. The GECC does not replace an institution's own general education curriculum, but provides students with a guaranteed path among institutions. It facilitates transfer primarily for students in majors that do not prescribe specific general education courses.

A Board of Higher Education annual report on the IAI notes that it is one of the most ambitious transfer projects in the country. Over 19,000 courses have been reviewed and approved through the combined efforts of over 900 faculty members serving on five general education panels over a ten-year period. While the IAI is noted to be one of the most comprehensive projects among higher education institutions, the annual report states that it is difficult to assess the effectiveness of the IAI without a statewide student unit record system. Evaluating the nature of student enrollments and tracking individual student migration across institutions are also cited as difficulties.

- Maryland General Education Transfer Policy: The University System of Maryland (USM) adopted a policy on undergraduate general education in 1994 to facilitate student transfer among the USM institutions. This policy allows students to use completed general education requirements at one System institution to meet general education requirements at any other System degree-granting institution. Requirements include course work in each of five areas: arts and humanities, English composition, social and behavioral sciences, mathematics and biological or physical sciences. Students who do not complete the general education requirements at the first USM institution must meet the requirements of the System institution to which they transfer.
- University System of Georgia Core Curriculum: The University System of Georgia established a University System Core Curriculum that includes: essential skills in English composition and college algebra (nine credits); humanities/fine arts (six credits); science, mathematics and technology (10 to 11 credits); social sciences (12 credits) and Institutional Options (four to five credits). Students who complete the core curriculum at one institution will receive full credit at their transfer institution as long as students do not change their major.

CONCLUSION

While many universities have reviewed general education requirements, most studies recognize that a system-wide core curriculum is not the answer to transfer problems and other issues, because general education requirements must fit the mission of each institution. Other university systems' and states' efforts include: developing common principles for general education, allowing for transfer of completed general education requirements, or adopting minimum standards for general education.

The UW System's efforts to facilitate transfer are reflected in the Undergraduate Transfer Policy, as well as through the transfer information system. Continued monitoring of transfer efforts in other systems could yield additional ideas for consideration in the UW System. Based upon the UW System's and other states' initiatives, areas for possible further discussion could include: 1) the potential value of establishing principles to guide the establishment of general education requirements in the UW System; 2) the results of the UW-River Falls pilot program and whether the program should be expanded to other UW institutions; and 3) the extent to which the Undergraduate Transfer Policy ultimately could be expanded to address basic skills and competencies.

Achieving Operating Efficiencies Work Group
March 4, 2004
Discussion Paper: Options for High School Students to Earn College Credits

The Achieving Operating Efficiencies Work Group was asked to consider options available to high school students to earn college credits. In addition to helping to provide a seamless transition from high school to college, some higher education administrators and planners have viewed programs that offer college credits to high school students as a strategy to decrease time to degree in higher education. As entering students are able to graduate in a shorter time, more students would be served. This discussion paper provides an overview of the various programs that offer college credits to high school students and describes the levels of participation in these programs. It incorporates information collected from a program review conducted in 2001 by the UW System Office of Operations Review and Audit.

TYPES OF PROGRAMS

Programs that offer college credits to high school students generally fall into three categories: credit-by-examination programs, dual or concurrent enrollment programs, and retroactive credit granting programs. Table 1 describes these programs.

Table 1
Programs Offering College Credits to High School Students

PROGRAM	CREDIT-BY-EXAMINATION	DUAL OR CONCURRENT ENROLLMENT	RETROACTIVE CREDIT
Purpose	Gives high school students an opportunity to take exams that can earn college credits. Enrollment in college level courses is required for some exams.	Allows high school students to concurrently enroll in high school and college-level courses.	Awards sequential credits for high school coursework to entering freshmen who receive certain required grades in the first-semester college course.
Types of Programs	Advanced Placement (AP); College Level Examination Program (CLEP); International Baccalaureate (IB); Excelsior College Exams; Defense Activity for Non-Traditional Education Support Standardized Tests (DSST); and Departmental Exams.	Youth Options; College Credits in High School; University Special; and Independent Learning	Foreign Language; Math; and Prior Learning.
UW Institutions Offering Programs	All UW degree-granting institutions award credits for Advanced Placement, International Baccalaureate, and College Level Examination Program exams. Most UW institutions grant credits for DSST exams. Some UW institutions grant credits for departmental exams. UW-Green Bay grants credits for the Excelsior College Exams.	All UW institutions offer Youth Options and University Special. College Credits in High School are offered at UW-Oshkosh, Green Bay, and Stevens Point. UW-Extension offers Independent Learning.	All UW degree-granting institutions award retroactive credits for either foreign language or math, or both. UW-Superior also awards credits to nontraditional students for prior learning.

UW System policies require UW institutions to award credits for Advanced Placement (AP) and International Baccalaureate (IB) exams. Youth Options legislation requires UW institutions to admit high school students only if spaces are available. All other programs are offered at the discretion of the UW institutions. UW System established a policy on College Credits in High School; however, the policy does not require UW institutions to offer the program.

PROGRAM PARTICIPATION

A request was made to all UW degree-granting institutions, and eleven institutions reported data on program participation for this discussion paper. Based on the data reported, four programs accounted for the largest proportion of credits UW institutions granted to high school students and to entering UW students for high school coursework. These programs include Advanced Placement, Youth Options, College Credits in High School, and Retroactive Credits. Each is discussed in detail below.

Advanced Placement

The Advanced Placement (AP) program is administered by the College Board. Currently, AP is available in 19 subject areas. High school students with advanced standing take the AP courses for high school credit. At the conclusion of the AP courses, students can register to take the optional AP standardized exams. Students who score a 3, 4, or 5 on the AP exams may receive credits for equivalent courses at any of the UW degree-granting institutions. During the 2001-02 school year alone, 11 UW institutions reported granting 5,200 students over 40,000 credits for AP exams. (See Table 2.)

Table 2
Number of Entering Students Who Earned Advanced Placement Credits
and Number of Credits Earned for Advanced Placement Exams
Selected UW Institutions: 1999-2000 to 2001-02

UW INSTITUTION *	1999-00		2000-01		2001-02	
	Students	Credits	Students	Credits	Students	Credits
Madison **	2,327	24,669	2,477	26,494	3,085	30,603
Milwaukee	----	----	368	2,198	370	2,246
Eau Claire	280	1,973	330	2,378	349	2,344
Green Bay	128	1,099	143	1,075	124	839
La Crosse	208	1,164	273	1,627	285	1,769
Oshkosh	----	----	186	559	148	606
Stevens Point	168	1,431	188	1,303	264	1,887
Stout	51	256	55	343	61	321
Superior	----	----	20	323	19	364
Whitewater	192	623	325	835	348	569
Colleges	93	499	133	690	118	624

*Some UW institutions had recently converted to new student information systems and data were not available or were not reliable.

**Numbers include students receiving credits for CLEP and IB. UW estimated that most of the students and credits awarded were for AP.

Source: UW System institutions

In comparison to the other 12 “midwestern” states – Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and West Virginia – Wisconsin ranks among the top for AP participation rates among high schools and high school students. In 2002, almost three-quarters of the 578 Wisconsin public and private high schools offered AP courses, and 11 percent of the 11th and 12th graders at these schools took AP exams. Wisconsin’s AP participation rate among high schools ranked highest among the 13 midwestern states and was ten percentage points higher than the national average.

According to data from the Wisconsin Department of Instruction, the one-quarter of Wisconsin public and private high schools that do not offer AP courses are located in small, rural districts. Recognizing this disparity, UW-Madison and UW-Extension have partnered with the Wisconsin Department of Public Instruction, the Wisconsin Education Association Council, and the Wisconsin Association of Distance Education Networks to establish the Wisconsin AP Distance Learning Consortium; the purpose is to train high school teachers and to offer AP courses to Wisconsin high schools that do not or cannot offer AP courses. The AP Distance Education Consortium is still in its first pilot year. Thus far, the Consortium has enrolled 191 students and 14 teachers in more than ten different course subjects.

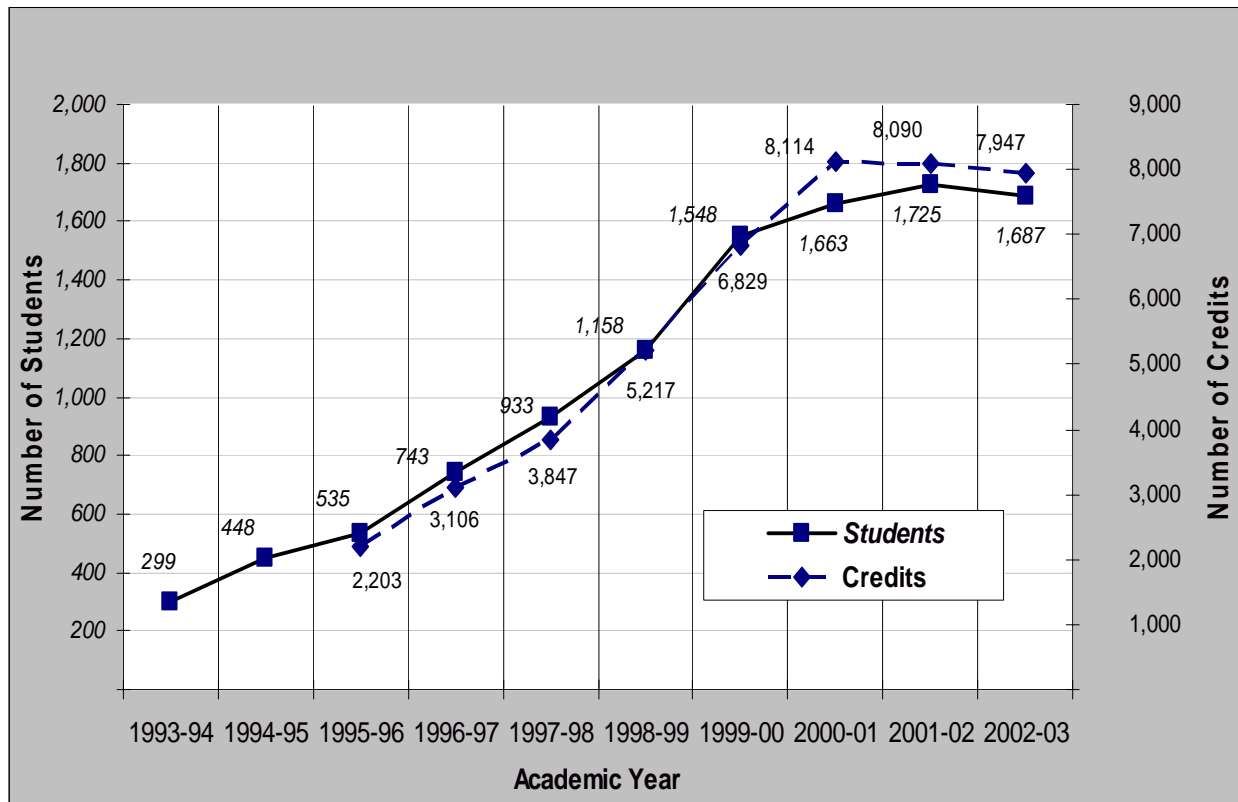
Youth Options

The Youth Options (YO) program, also known as the Post Secondary Enrollment Options program, allows high school students to take on-campus college courses for either high school or college credits, or both. All UW degree-granting institutions offer the YO program. Between 1993, when the Youth Options (YO) program was first implemented, and 2000, the number of high school students taking college credit courses on UW campuses and the number of credits awarded has increased steadily. (See Figure 1.)

The number of YO students enrolled at UW institutions appears to have leveled off after 2000-01 and might even decrease in the future. A lingering concern with the YO program has been funding for the program. Wisconsin school districts pay the YO students’ tuition out of their regular allocations if the courses can receive high school credit. Legislation has been introduced in the Wisconsin Legislature to give school districts greater control of the YO program; the legislation would, for example, allow districts to limit the number of credits for which the school districts will pay and to require the student’s parent or guardian to reimburse the school board should the student receive a failing grade or fail to complete the course for which the school district has paid. (The proposed legislation has passed the Assembly and has been referred to the Senate.)

A survey by the Education Commission of the States, an interstate compact on education, found that most states have enacted legislation for dual or concurrent enrollment. It is difficult to draw state comparisons as each state tracks enrollment differently and the requirements are also quite different.

Figure 1
Number of Youth Options Students Enrolled at UW Institutions
and the Number of Credits Awarded: 1993-94 to 2002-2003 *



*The number of credits was not available during the first two years.

Source: UW System Office of Academic Affairs

College Credit in High Schools

College Credit in High Schools, also known as the Cooperative Academic Partnership Program (CAPP), is a collaborative effort between the UW System and K-12 schools. CAPP courses are offered to high school students at the high schools and for college credits only. The courses are taught by high school teachers who meet certain requirements. The costs for the courses are shared among the high schools hosting the courses, the students, and the UW institutions offering the courses.

Six UW System institutions – UW-Eau Claire, Green Bay, La Crosse, Oshkosh, Stevens Point, and Colleges (UW-Richland) – offered CAPP courses sometime between 1997-98 and 2001-02. Four of these six institutions have offered courses continuously during the five-year period. Table 3 shows the enrollment and number of credits awarded for UW-Green Bay, Oshkosh, and Stevens Point.

Table 3
High School Students Enrolled in College Credit in High Schools Program
and the Number of Credits Awarded: 1999-2000 to 2001-02

UW Institution	1999-00		2000-01		2001-02	
	Students	Credits	Students	Credits	Students	Credits
Green Bay *	219	----	234	----	278	----
Oshkosh	1,746	6,028	1,809	6,258	1,776	6,277
Stevens Point	26	78	11	33	14	42

*Number of credits is not available.

Source: UW System institutions

A number of other public universities in the midwestern states have had a long history of offering college credit courses in high schools, similar to UW's CAPP. The University of Indiana-Bloomington has more than 1,000 students enrolled in its courses offered at the various high schools in Indiana, Michigan, and Ohio each year. The University of Missouri-Kansas City and University of Missouri-Saint Louis have served more than 10,000 high school students in their programs each year.

Retroactive Credits

Retroactive credits are granted to entering freshmen for coursework completed while still in high school. To receive retroactive credits, the students must receive certain required grades in the first-semester college course in the sequence. The ten UW institutions reporting data for this discussion paper grant retroactive credits for either foreign languages or math, or both. They granted almost 34,000 credits for the 2001-02 school year alone. (See Table 4.)

Table 4
Number of Students Awarded Retroactive Credits for Foreign Languages and/or Math
and Number of Credits Awarded: 1999-2000 to 2001-02

UW Institution *	1999-00		2000-01		2001-02	
	Students	Credits	Students	Credits	Students	Credits
Madison	1,595	13,309	1,853	17,867	1,799	17,731
Milwaukee	203	1,927	302	2,922	257	2,378
Eau Claire	291	2,346	328	2,665	385	2,693
Green Bay	136	1,406	119	1,198	121	1,309
La Crosse	532	4,508	430	3,636	437	3,572
Oshkosh	----	----	446	1,731	535	2,098
Stevens Point	276	2,915	280	2,900	236	2,592
Stout	38	282	41	326	36	278
Whitewater	128	504	69	272	----	----
Colleges	117	1,312	111	1,076	95	876

*See first footnote, Table 2.

Source: UW System institutions

For the 2001-02 school year, the proportion of freshmen receiving retroactive credits ranged from one percent at UW Colleges to 29 percent at UW-Madison. The average number of

retroactive credits ranged from four at UW-Oshkosh to 11 at UW-Stevens Point and UW-Green Bay.

PROGRAM BENEFITS

Literature points out some benefits from the various programs that offer college credits to high school students. In addition to exposing high school students to the academic rigors of college in order to better prepare them for college, lowering college costs has been frequently described as a benefit.

Cost Savings to Parents and Students

Using data some UW institutions have reported, the minimum savings to parents of students who receive credits from UW System institutions for Advanced Placement exams and retroactive credits are calculated. Based on data from selected UW institutions, the students and their parents saved, at a minimum, over \$5.9 million under AP and \$4.5 million in tuition payments from foreign language and/or math courses in 2001-02 alone. (See Appendix.)

The savings are real amounts, as the students would have to take the necessary courses to make up for credits they earned for AP exams and for foreign language and/or math courses. While the students and their parents may have incurred some costs for taking AP courses while still in high school, the costs are minimal in comparison to the savings in tuition payments. Parents of high school students who took college credit courses under the Youth Options program would also save if their children eventually enroll in college, as credits earned from UW courses may be transferable.

Student Performance

Critics of programs that offer college credits to high school students question the expectations for these programs and whether these programs can reduce the time to graduation. A search for studies on the performance of high school students who enrolled in the various programs that offer college credits did not identify specific studies on whether these students actually graduate in a shorter time period. Two studies on academic performance indicate that students with AP credits and credits from concurrent enrollment programs appear to do better than students without the credits:

- Study of the Cooperative Academic Partnership Program at UW-Oshkosh: The UW System Office of Academic Affairs conducted this study in 1994. The study found that CAPP students in the top ten percent of their high school classes outperformed their non-CAPP classmates.¹
- Community College and AP Credit: An Analysis of the Impact on Freshman Grades: The University of Arizona conducted an analysis of freshman grade point averages of students enrolled at the University of Arizona. The analysis compares the drop in grade point

¹ The University of Wisconsin System. Office of Academic Affairs. *Study of the Cooperative Academic Partnership Program (CAPP) at UW-Oshkosh*. December 1994.

averages between high school and attendance at the University of Arizona for freshmen who have either Advanced Placement credits or community college credits earned while still in high school and freshmen who do not. The analysis shows that the drop is less among freshmen with the credits. Independent from the effects of high school GPA and SAT scores, the analysis indicates that both AP and community college credits earned while in high school were positively and significantly associated with first-year GPA at the University of Arizona.²

CONCLUSION

UW System institutions are offering a variety of programs that allow high school students to earn college credits. Even though UW System institutions have limited control over the various programs that offer college credits to high school students, an area of concern to parents and education planners has been the availability of these programs to all Wisconsin high student students. UW institutions might be able to help by increasing collaboration with each other, local school districts, and other education organizations to identify methods to make the programs more widely available. Some examples of promising collaboration include: 1) the Wisconsin Advanced Placement Distance Learning Consortium involving UW-Madison and UW-Extension; 2) an agreement among the four University of Missouri System institutions to have two institutions provide the college-credits-in-high-school program on behalf of the system; and 3) funding- and cost-sharing agreements between Minnesota's higher education institutions and school districts for the Post Secondary Enrollment Options program.

² The University of Arizona. *Community College and AP Credit: An Analysis of the Impact of Freshman Grades*. <<http://aer.arizona.edu/Enrollment/Papers/dualenr.pdf>>

Appendix

MINIMUM SAVINGS TO STUDENTS FROM ADVANCED PLACEMENT AND RETROACTIVE CREDITS Selected UW System Institutions (2001-02 Only)

UW INSTITUTION	NUMBER OF CREDITS AWARDED	RESIDENT TUITION PER CREDIT	SAVINGS TO STUDENTS
ADVANCED PLACEMENT *			
Madison	30,603	\$148.65	\$ 4,549,136
Milwaukee	2,246	144.25	323,986
Eau Claire	2,344	119.85	280,928
Green Bay	839	115.70	97,072
La Crosse	1,769	115.70	204,673
Oshkosh	606	115.70	70,114
Stevens Point	1,887	115.70	218,326
Stout	321	121.50	39,002
Superior	364	115.70	42,115
Whitewater	569	115.70	65,833
Colleges	624	100.95	62,993
Total Savings			\$ 5,954,178
RETROACTIVE CREDITS **			
Madison	17,731	\$148.65	\$ 2,635,713
Milwaukee	2,378	144.25	343,027
Eau Claire	2,693	119.85	322,756
Green Bay	1,309	115.70	151,451
La Crosse	3,572	115.70	413,280
Oshkosh	2,098	115.70	242,739
Stevens Point	2,592	115.70	299,894
Stout	278	121.50	33,777
Colleges	876	100.95	88,432
Total Savings			\$ 4,531,070

*The total number of students who were awarded AP credits from these UW institutions was 5,171.

**The total number of students who were awarded retroactive credits from these UW institutions was 3,901.

Achieving Operating Efficiencies Work Group
March 4, 2004
Discussion Paper: Distance Education

The Achieving Operating Efficiencies Work Group was asked to explore whether distance education could be an option for the UW System to serve more students with the existing resources. While the question may appear simple, a complete answer would require an assessment of: the technology infrastructure available systemwide and at each UW institution, the use of distance education in the context of the institutions' missions, and the level of distance education technical expertise among faculty and staff systemwide. While information on each of these areas is not readily available in a short timeframe, this discussion paper provides an overview of distance education program development in the UW System, distance education course offerings, and current uses of distance education.

DISTANCE EDUCATION PROGRAM AND POLICY
DEVELOPMENT AT THE UW

Wisconsin Statutes define distance education as "instruction that takes place, regardless of the location of a teacher or student, by means of telecommunication or other means of communication, including cable, instructional television fixed service, microwave, radio, satellite, computer, telephone or television."¹ The UW System's long tradition of providing distance education began in 1892 when UW-Madison (then the UW at Madison) first offered correspondence (print-based) courses. While print-based courses remain a critical component, UW System's distance education programming has expanded into other technologies. The UW System either operates or is a significant contributing partner in several current or prospective distance education networks. These networks include:

- WisLine: WisLine is a dial-in audioconferencing system managed by UW-Extension. WisLine allows access from any telephone. It is also used for interactive webconferencing using a Web browser and a speakerphone.
- Regional Videoconference Networks: These full-motion, fiber-optic-based networks are shared and managed by a regional consortium of UW institutions, technical colleges, and high schools.
- BadgerNet: BadgerNet is a statewide voice, video and data network infrastructure created by the Wisconsin Department of Administration for the purpose of providing low-cost telecommunications services to educational institutions and local, county and state agencies and offices.
- Wisconsin Public Television: Wisconsin Public Television (WPT) consists of six public television stations offering a variety of programs to diverse audiences across the state. WPT is a partnership between the Educational Communications Board and UW-Extension.

¹ Section 24.60(1g), Wis. Stats.

- Wisconsin Public Radio: Wisconsin Public Radio is a network of 27 radio stations carrying information and entertainment programming to local, regional and statewide audiences across the state.

In addition to developing or helping to develop the distance education networks in the state, the UW System has established entities for the purposes of enhancing distance education programming. For instance:

- UW Learning Innovations: The UW System Board of Regents established UW Learning Innovations (UWLI) as a partnership between UW System and UW-Extension to complement campus infrastructures, to design and assist UW faculty in designing on-line courses, to distribute these courses, and to provide a one-stop-shop for student services. In each of these areas, UWLI works with the UW institutions offering courses and programs to provide seamless access for students to the UW's Online Learning. UWLI currently supports 15 online programs of study offered by 13 UW institutions.
- UW-Extension Distance Education Clearinghouse: The Clearinghouse is a comprehensive website bringing together distance education information from Wisconsin, national, and international sources. The Clearinghouse provides users with information about distance education courses UW institutions and other universities offer and with resource information on distance education.
- UW System Learning Technology Development Council: The Council was formed to encourage systemwide collaboration and individual UW institution efforts which promote effective use and integration of learning technologies in instruction. The Council provides grants for professional development and learning technologies-related projects. In addition, the Council creates an online resource on educational technology for UW faculty and staff to use to exchange ideas about technology, pedagogy, and student learning.
- The Pyle Center: The Pyle Center provides state-of-the-art distance education classrooms and meeting rooms for faculty and staff training on distance education programming.

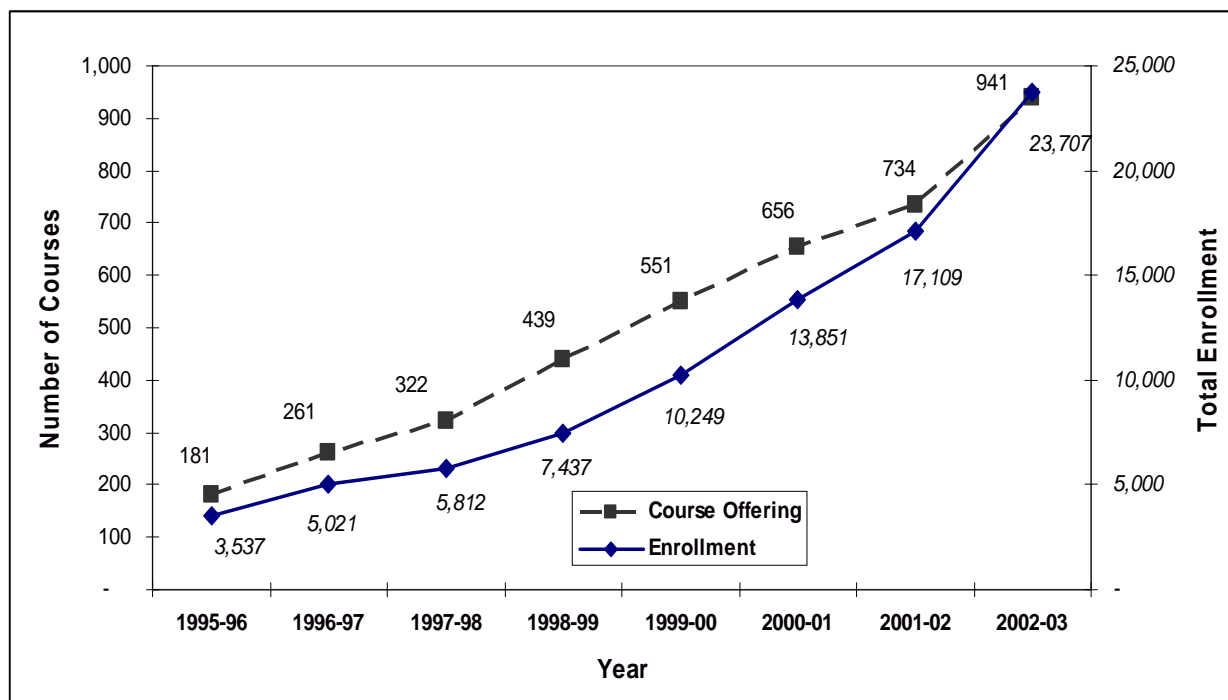
The UW System also has established some distance-education-related policies to encourage UW institutions to develop distance education programming. In the Study of the UW System in the 21st Century, the UW System Board of Regents set the goal of removing the barriers of time and space for student learning. Principles for Pricing Distance Education Credit Courses, Degree and Certificate Programs, were aimed at providing the foundation for a new tuition model for distance education courses and programs. Standards for Academic and Student Support in Distance Education Credit Courses, Degree and Certificate Programs, were developed in 2000 to assure high quality distance education programming. The instructions for seeking approval to offer an existing degree or certificate program through distance education technology within the Board of Regents guidelines were revised in July 2003. When the first collaborative or multi-institutional distance education programs were initiated, the UW System recommended a "Home Institution" model to admit, register, and award financial aid to students when two or more UW institutions collaborate on distance education courses. The model allows UW institutions to share the costs associated with development and delivery of these courses.

To simplify the procedures for enrolling in distance education courses and for providing support to students, UWLI has implemented the Learner Relationship Management System for programs of study supported by UWLI. The system creates a one-stop-shop for student services and makes it possible for multiple UW System institutions to list distance education courses and for students to register for these courses on a single registration screen.

UW DISTANCE EDUCATION COURSE OFFERINGS AND ENROLLMENT

UW institutions offer a wide range of distance education courses. In general, courses offered by UW degree-granting institutions are for UW undergraduate or graduate credits or continuing education credits. The UW Independent Learning program administered by UW-Extension, with courses taught by faculty from UW degree-granting institutions, offers courses for UW, technical college, high school or continuing-education credits in selected program areas. The UW Independent Learning program is not a degree program, but UW students do take advantage of specific Independent Learning courses to meet their campus-based degree requirements. In 2002-03, UW System institutions offered a total of 941 distance education courses, and more than 23,700 students enrolled in these courses. Between 1995-96 and 2002-03, the number of UW distance education courses and total enrollment in these courses increased four-and five-fold, respectively. (See Figure 1.)

**Figure 1
UW System Distance Education Course Offerings and Enrollment
1995-96 to 2002-03**



Source: Achieving Excellence: The University of Wisconsin System Accountability Report, 2003-04

A variety of technologies are available for distance education programming. They include print (textbooks, workbook, fax, and study guide), voice/audio (telephone, voicemail, audio conference, audiotape, and radio), video (videotape, satellite, microwave, broadcast video, and desktop video), and computer (e-mail, online, video conference, and CD-ROM). A search of the UW Distance Education Catalog found a listing of over 240 courses offered by UW-Platteville, Stout, Whitewater, UW Colleges, and the UW Independent Learning program for 2003-04. About two-thirds of the UW distance education courses listed in the catalog are online courses. (The courses listed in the UW-Extension Distance Education Clearinghouse catalog use technology in different proportions, ranging from online syllabi postings for face-to-face courses to offerings available fully at a distance with listing in the catalogue being voluntary.) UW-Stevens Point's website lists over 30 distance education courses offered during the 2003-04 Spring Semester, and about 90 percent of the courses listed are offered through the Internet. Almost all UW System institutions are currently offering some programs of study fully online. The U.S. General Accounting Office and the U.S. Department of Education National Center for Education Statistics reported that higher education institutions used the Internet more than any other mode to deliver distance education.^{2,3}

The UW-Extension funded a pilot project during 2003-04 to develop a comprehensive online, searchable data base of distance education courses across the UW System. The resulting prototype is expected to serve as the foundation for a comprehensive online catalog to be developed in conjunction with all UW System institutions during the 2004-05 academic year. This online resource will complement the existing Higher Education Location Program (HELP) majors data base to provide information on a course level.

USES OF DISTANCE EDUCATION AT UW

The goals for distance education vary considerably among higher education institutions. Some institutions venture into distance education purely for financial reasons, while others offer distance education primarily to supplement their on-campus instruction. Some institutions focus on degree programs, while others offer courses that do not necessarily lead to a specific degree.

Important goals of distance education are to increase student access by making courses available at convenient locations and by reducing time constraints for course taking and to increase the institution's access to new audiences.⁴ A program review conducted by the Office of Operations Review and Audit in 2000 briefly addressed the specific goals and purposes of distance education at UW System institutions: 1) to enhance instruction to UW students, 2) to reach an off-campus (non-traditional) audience, and 3) to share resources. One of the UW System institutions' goals was also to increase the number of degree-granting programs through distance education. UW System institutions offer a variety of distance education courses, including degree or certificate-granting courses, foundation courses, and continuing education and professional development courses. (See Appendix.)

² U.S. General Accounting Office. *Distance Education: Growth in Distance Education Programs and Implications for Federal Education Policy*. GAO-02-1125T.

³ National Center for Educational Statistics. *Distance Education at Degree-Granting Secondary and Postsecondary Institutions: 2000-01*. Retrieved March 4, 2004. <<http://nces.ed.gov/surveys/PEQIS/publications/>>.

⁴ See footnote #3.

The degree programs are primarily intended for off-campus audiences. However, some of the courses are also open to on-campus students. A common practice of UW System institutions has been to offer courses with concurrent sections for on-campus and off-campus students. While some of the degrees are offered only by distance education, the degree program courses follow the same curriculum as those courses offered on campus. Students enrolled in the distance education degree programs are expected to meet the same or similar requirements as on-campus students. For instance, students in the Physician Assistant distance education program offered by UW-Madison receive the same materials that on-campus students do, only in a different format. The UW Colleges' Online Associate Degree Program courses use the same curriculum as the on-campus courses and are often taught by the same faculty.

Collaboration is a means to effectively use resources and to increase access; and a good number of the distance education programs leading to a degree are collaborative programs, where two or more UW institutions cooperate in developing the programs. Collaboration activities in these programs occur at the planning, course development, and delivery stages.

An area of interest to some higher education administrators and planners is the extent to which distance education technologies have been used to alleviate enrollment constraints in general education courses. The UW distance education catalog and UW System's Central Data Request do not code which distance courses are general education courses or which courses meet the general education requirements. Based on information from the UW Distance Education Clearinghouse, UW Learning Innovations, and UW institution websites, a number of general education courses are offered through distance education. For instance, UW Colleges' Online Associate Degree Program includes all the general education courses required for the UW Associate Degree. Some UW institutions also offer a small number of general education courses through distance education.

CONCLUSION

While distance education has many uses, there is little doubt that it offers the potential to increase enrollment at UW institutions. Distance education requires less physical space; however, increasing distance education programming will require additional investment in: equipment and staff resources to produce the courses, the infrastructure to support course delivery, and support services for students taking distance education courses. The answer to the question of whether distance education is a viable option to increase enrollment with the existing resources will involve a thorough assessment of: 1) the current technical and instructional capacity and expertise, and 2) the different ways each UW institution uses distance education.

Appendix

Examples of UW System Distance Education Programs and Courses: 2003-04

COURSE TYPES		PROGRAMS	UW INSTITUTIONS OFFERING THE PROGRAMS
Degree	Doctoral	Nursing *	Milwaukee
	Masters	Master of Science for Professional Educators	Madison
		Master of Science in Mechanical Engineering	Madison
		Master of Science in Power Engineering	Madison
		Masters of Administrative Medicine	Madison
		Master of Engineering in Engine Systems *	Madison
		Master of Engineering in Professional Practice *	Madison
		Master of Engineering in Technical Japanese *	Madison
		Library and Information Science *	Milwaukee
		Criminal Justice *	Platteville
		Masters of Engineering *	Platteville
		Project Management *	Platteville
		Master of Management Education	River Falls
		Guidance and Counseling	Stout
		Hospitality and Tourism *	Stout
		Vocational Rehabilitation *	Stout
		Business Administration *	Whitewater
	Bachelors	Collaborative Nursing Program *	Eau Claire, Green Bay, Madison, Milwaukee, and Oshkosh
		Extended Degree Program – Interdisciplinary Studies	Green Bay
		Online Nursing Degree Program *	Green Bay
		Physician Assistant	Madison
		Information Resources	Milwaukee
		Business Administration *	Platteville
		Extended Degree Program – Business Administration	Platteville
		Graphic Communications Management	Stout
		Hotel, Restaurant, and Tourism Management	Stout
		Industrial Management	Stout
		Industrial Technology Education	Stout
		Service Management	Stout
		Extended Degree Program – Individualized Major	Superior
		Collaborative Degree Program in Business Administration, Communication, General Studies, Information Science/Resources, Liberal Studies, Mechanical Engineering, Nursing, Organizational Administration, and Web and Digital Media Design	UW Colleges with other UW institutions
	Associate	On-line Associate Degree Program *	UW Colleges
Certificate & License Courses		Collaborative Online Gerontology Certificate Program *	Eau Claire, Green Bay, La Crosse, Madison, Milwaukee, Parkside, Stevens Point, Stout, and Superior
		Distance Education Certificate Program	Madison

COURSE TYPES	PROGRAMS	UW INSTITUTIONS OFFERING THE PROGRAMS
Certificate & License Courses (continued)	Human Services Administration Certificate Program	Madison
	Graduate Certificate in State and Local Taxation *	Milwaukee
	Graduate Certificate in Professional Writing and Communication	Milwaukee
	Certificate in Engineering Management *	Platteville
	Certificate in Project Management *	Platteville
	Food Marketing Certificate	Platteville
	Graduate Diploma in Criminal Justice *	Platteville
	Human Resource Management Certificate *	Platteville
	International Business Certificate *	Platteville
	Leadership and Human Performance Certificate *	Platteville
	Graduate Certificate in Communication	River Falls
	Graduate Certificate in Service-Learning	River Falls
	Programming and Web Development Certificate	River Falls
	Wildlife Recreation and Nature Tourism Certificate	River Falls
	TechLead Certificate *	Stevens Point
	Technology and Leadership	Stevens Point
	Early Childhood Certificate	Stout
	Education Specialist in Career and Technical Education	Stout
	Food and Nutrition Certificate	Stout
	VTAE Certification	Stout
Foundation and General Education Courses	School Library Media Specialist License	Whitewater
	Certified Purchasing Manager	UW Extension
Continuing Education and Professional Development Courses	Masters of Business Administration Foundation Program *	Eau Claire, La Crosse, Oshkosh, and Parkside
	On-line Associate Degree Program *	UW Colleges
	A variety of degree and non-degree courses	All UW institutions

*These programs of study are currently available fully online. Some of the programs listed are converting from other distance education technologies or hybrid models (face to face and technology assisted) to fully online models, demonstrating the growing popularity of online learning within the UW System.

Sources: UW-Extension Distance Education Clearinghouse, UW Learning Innovations, and UW institution websites

WORKING DRAFT 3-3-04
Achieving Operating Efficiencies Work Group
Additional Recommendations

BUDGET-RELATED RECOMMENDATIONS

1. Educational Quality Investment Fund

- Recommendation: The Achieving Operating Efficiencies Work Group, in conjunction with the Re-Defining Educational Quality Work Group, recommends that the UW System request funding to create a fund to support educational quality grants. The grants would promote student learning, teaching, quality of faculty/staff work life and organizational systems. Fundamental, not incremental, changes in academic and administrative practices on all UW System campuses are necessary to maintain and enhance UW System's position as a premiere system, known for its educational quality. A panel of faculty, staff and administrators from throughout the System would review grant proposals. Potential grant categories would be:
 - a. Instructional delivery/pedagogy – Projects and activities could include: incorporating technology in the delivery of instruction; creating and supporting a Teaching and Learning Academy for faculty within an institution; or using performance, skills application, and mastery and competency demonstrations to assess learning outcomes.
 - b. Curricula – Projects and activities could include: using more active and experiential learning experiences (de-emphasizing “seat time” and credits completed) in classes; providing learning experiences that engage faculty, students and staff in activities directed at or for the university, such as marketing students assisting the university in marketing itself or counselor-education students helping to operate career services and the counseling center; or incorporating into courses others with knowledge of a discipline, in addition to the instructor.
 - c. Technology/library – Projects and activities could include: creating and supporting a Technology Deployment unit to provide information about uses of technology in the classroom and work environment; establishing professional-development assistance to faculty and staff learning and using technology; or rewarding the demonstration of successful implementation of technology to better serve students, create efficiencies, or reduce costs.
 - d. Organizational efficiencies/effectiveness – Projects and activities could include: creating an institutional Center for Research, Forecasting and Change, or establishing on-going restructuring or re-engineering processes to explore ways in which a UW institution can be best organized to deliver services.

- Benefits: The award of grants could result in models that would enhance the quality of education, prepare UW graduates to contribute to the communities and economy of the state, and assist UW System institutions in operating more effectively.
- Charting a New Course Theme: “Quality” (student education and experience) and “Serving Wisconsin directly – state and student needs” (efficiencies and collaborations).

2. Resident Undergraduate Tuition Authority

- Recommendation: The Achieving Operating Efficiencies Work Group recommends that the Board of Regents seek full authority to set resident undergraduate tuition. Section 36.27(1)(a), Wis. Stats., enacted in the 1999-01 biennial budget, limits the Board of Regents’ authority to set resident undergraduate tuition rates but gives the Board authority to set rates for all other student categories. Board of Regents Policy Document 92-8, originally adopted in 1992 and most recently modified in 1996, establishes principles for the Board to follow when setting tuition rates. In the years preceding the statutory limitation, these principles resulted in relatively moderate and predictable tuition increases for resident undergraduates. Because most UW students are resident undergraduates, the preponderance of the System’s tuition revenues are derived from resident undergraduates. Small increases in tuition can generate significant revenue.
- Benefit: Restoring full tuition authority by removing the statutory limitation will enable the Board to balance charges equitably among categories of students and maintain instructional quality and access when state resources are unavailable. Boards at other higher education institutions nationwide generally have the authority to set tuition and related fees.
- Charting a New Course Theme: “Access” (revenue enhancements).

NON-BUDGET RECOMMENDATIONS OR UNKNOWN BUDGET IMPACT

3. Retaining Proceeds from the Sale of Real Estate Received as a Gift or Acquired with Program Revenue

- Recommendation: The Achieving Operating Efficiencies Work Group recommends that the Board of Regents seek authority to retain and reinvest all of the proceeds from the sale of buildings or land that the UW acquired or built with program revenue or donated funds. Proceeds from the sale of state buildings or land, including UW property, are currently credited to the supplemental appropriation of the Legislature’s Joint Committee on Finance; when the buildings or land had been used by a single state agency, the Joint Committee on Finance may, upon the agency’s request, transfer half of the proceeds back to the agency. For example, if the UW System sells land it received as a gift, the UW would effectively be allowed to receive only half of the value of the donor’s gift. If it could retain the full proceeds from the sale, the UW could make full use of the program revenue or gift.

- Benefit: Consistency with donors' intent, greater opportunity for real estate reinvestment.
- Charting a New Course Theme: "Access" (revenue enhancements), "Serving Wisconsin directly – state and student needs."

4. Program Revenue Position Authority

- Recommendation: The Achieving Operating Efficiencies Work Group recommends that the Board of Regents seek expanded authority to approve positions supported with certain program revenue appropriations. Section 16.505(2m), Wis. Stats., gives the UW System authority to create or abolish, without the Governor's or Joint Finance Committee's approval, positions funded from certain program revenue appropriations: auxiliary enterprises, Extension student fees, general operations receipts, gifts and donations, federal aid, federal indirect cost reimbursement, and trust fund income. The same section gives the UW System the authority to create or abolish positions funded with academic student fees for degree-credit instruction (with some limited exceptions) when the fees are generated from increased enrollment and from courses for which the academic fees or tuition charged equal the full cost of offering the courses. Two changes are proposed:
 - a. Positions funded with academic student fees currently can be created only for 100 percent fee-funded programs. The recommendation would remove the statutory restrictions on creating positions with academic student fees, allowing the UW System to create needed positions funded from tuition revenues, consistent with several other program revenue funds.
 - b. The statutory list of appropriations that could be used to create or abolish positions under s. 16.505(2m), Wis. Stats., would be expanded to include: Center for Tobacco Research; stray voltage research; physical plant service departments; Center for Urban Land Economics Research; Veterinary Diagnostic Laboratory-state agency fees; Distinguished Professorships-matching funds transferred from other state agencies; and Intercollegiate Athletics auxiliary enterprises, non-income sports, and gifts and grants.
- Benefit: These changes would allow the UW System to more quickly and efficiently address workload and program changes to meet the needs of students and other UW clients who are paying for services.
- Charting a New Course Theme: "Serving Wisconsin directly – state and student needs."

WORKING DRAFT 3-1-04
Achieving Operating Efficiencies Work Group
Expanded Recommendations from February 5, 2004 Meeting

BUDGET-RELATED RECOMMENDATIONS

1. Capital Building Program Improvements

- Recommendation: The Achieving Operating Efficiencies Work Group recommends that the UW System seek improvements in the capital building program process through modernized statutes and procedures that better match delivery methods to building projects. With the UW System accounting for a large share of the state building program, the System should provide leadership to improve processes that are overly burdensome and time consuming:
 - a. The current project enumeration process adds approximately three years to the project-approval process; the state Building Commission should have the authority to approve at any time a building project for which adequate gift, grant or other cash funding becomes available. Enumeration should be limited to projects over a certain amount (\$1 million or \$5 million) that will use bonding instead of cash.
 - b. State Department of Administration (DOA) Division of State Facilities project management and construction supervision services, currently mandatory and provided for a 4-percent fee, should be optional and chosen when they would be cost effective compared to other options, such as contracting out for these services.
 - c. A traditional delivery method of design, bid, and construct is currently allowed; a change to allow state agencies to use open, competitive processes, such as multiple bid, single-prime, design-build, or construction manager, would promote efficiencies in project schedules and budgets.
 - d. Other process improvements could shorten processing times and reduce costs. For example, the process for the DOA Secretary and Governor to sign contracts, change orders, and other documents is lengthy, and bidders take these delays into account; requiring documents to be signed within 45 days would reduce delays and costs.
 - e. UW institutions traditionally have financed all capital projects through state-issued tax-exempt bond proceeds. A shorter financing and construction timeframe and lower construction costs could result if the Board of Regents were authorized to issue its own bonds, which would be fully supported with program revenue.
- Benefits: Potential savings to the state of Wisconsin through avoidance of inflation and other process-related costs could be over \$400 million over a 20-year period.
- Charting a New Course Theme: “Serving Wisconsin directly – state and student needs” (efficiencies and collaborations).

2. Procurement Process Improvements

- Recommendation: The Achieving Operating Efficiencies Work Group recommends that the UW System seek flexibility in the procurement process to allow the UW System to use higher education consortiums' contracts, such as the Big Ten consortium contract for office services. Some UW System purchases could be made more quickly and cost effectively if the UW System had increased authority to procure goods and services:
 - a. The UW would take advantage of special pricing opportunities and consortiums available to higher education institutions, without seeking state approval. Also, the UW has access to a shared e-commerce system and related purchasing systems which are not yet available at the state level. The UW would continue to adhere to all statutory purchasing requirements and would partner in contracts with the state where it is cost effective to do so. This approach would be consistent with the seven Big Ten institutions that already have independent purchasing authority.
 - b. The state review process takes an average of 44 days, even while the UW has a 95-percent approval rate on sole source requests. Sole source processing time could be reduced if DOA approval were not required.
- Benefits: Over \$1 million of savings could accrue to the state from the one consortium contact, with the UW System realizing over \$600,000.
- Charting a New Course Theme: "Serving Wisconsin directly – state and student needs" (efficiencies and collaborations).

3. Cash Management Improvements

- Recommendation: The Achieving Operating Efficiencies Work Group recommends that the UW System seek authority to assume all cash management and investment responsibilities currently performed for the UW System by DOA:
 - a. DOA, working through the State Treasurer and State of Wisconsin Investment Board, currently holds and manages all UW System cash other than trust funds. The UW System's auxiliary enterprises and federal financial aid appropriations are credited with interest earnings; tuition and other program revenue balances are not. The UW would maintain, manage, and invest all program revenue balances and could increase interest earnings by using longer-term investments than DOA uses. The state would provide the UW its general purpose revenue appropriation in 12 monthly installments, as is done at other Big Ten institutions. The state would be reimbursed for the amount of interest it is now earning on UW appropriations, and the UW System would retain any increase in interest earnings. The UW System also would be able to use its accounting system to improve cash flow and maximize earnings.

- b. The UW System also should have the authority to enter into banking contracts without the approval of the state Depository Selection Board, as well as to monitor its own accounting transactions.
- Benefits: Interest earned now totals \$5 million annually, of which the UW System receives \$2 million and DOA receives \$3 million. With the UW System investing differently, the interest earned could increase to \$15 million annually.
- Charting a New Course Theme: “Serving Wisconsin directly – state and student needs” (efficiencies and collaborations).

4. Collaborative Academic Program Pilots

- Recommendation: The Achieving Operating Efficiencies Work Group recommends that the UW System establish pilot programs to promote administrative and programmatic collaboration. UW collaborative academic efforts exist in degree programs, certificate programs, and single or multiple courses. Collaborative agreements can be formal or informal. Among the potential advantages of collaborative partnerships are: maximized use of the combined resources of multiple campuses, minimized duplication, cost savings through shared programs, and increased access to certain academic programs in more parts of the state. Some collaborative efforts have been established to meet high-demand programs, such as nursing or business, while others provide access to programs in low-enrollment areas, such as certain foreign languages.

Pilot programs could be structured and monitored to identify which approaches and administrative practices prove most effective, with a resulting administrative model used to guide future efforts. While some existing collaborative efforts have successfully addressed instructional and administrative issues, past efforts have generally been developed on a case-by-case basis; some arrangements have been implemented with limited consideration of administrative issues. In addition to developing high-quality academic programs, factors to be considered include: a) financial factors, such as matching instructional and other costs with program revenue; and b) other administrative factors, such as addressing differences in admission standards, registration procedures, grading, and academic calendars.

- Benefits: Improved services to students, potential for reduced costs.
- Charting a New Course Themes: “Quality,” “Access,” and “Serving Wisconsin directly – state and student needs” (efficiencies and collaborations).

NON-BUDGET RECOMMENDATIONS OR UNKNOWN BUDGET IMPACT

5. UW System Vision and Mission Review Process

- Recommendation: The Achieving Operating Efficiencies Work Group recommends that the UW System refine the process and criteria for periodically reviewing UW System visions and mission statements. Chapter 36, Wis. Stats., directs the Board of Regents to “establish for each institution a mission statement delineating specific program responsibilities and types of degrees to be granted.” The UW System institution mission statements generally contain components deemed essential to serve as strategic management tools, although some components are less explicitly stated than others.

The UW System mission, Regent Study and UW System integrated planning process will help shape institutional missions, along with many factors, including funding, market demands, and constituent needs. As a result, missions need to be reassessed periodically. Each institution should create a clear vision for the future, consistent with the UW System mission and integrated plan; and the vision and mission statement should serve as tools for: a) formulating strategies, b) allocating institutional resources, c) providing managers and employees with a common direction, d) projecting the values and priorities of the organization, and e) communicating with stakeholders. Following the completion of the Regent Study and integrated System plan, a set of guidelines should be developed for UW System institutions to follow to ensure that the uniqueness and strengths of each institution are easily identifiable in their mission statements; further, each institution’s resources and activities should be directed toward accomplishing its mission.

- Benefit: Systematic assessment of institutional visions and missions will ensure that mission statements and resources are aligned with the mission and integrated plan for the System, institutional distinctiveness is clear, and missions reflect the needs of students and the state.
- Charting a New Course Theme: “Quality” and “Serving Wisconsin directly – state and student needs”.

6. Academic Program Review Process

- Recommendation: The Achieving Operating Efficiencies Work Group recommends that the UW System enhance the process for systematically reviewing current academic programs. Among the goals of academic program review in the UW System are: a) establishing minimum standards for program quality or differentiation of program mission; b) identifying the need for structural changes in programs and administrative units; c) setting priorities for the allocation of program resources; and d) identifying nonfunctional or unnecessarily duplicative programs. Two enhancements to this process have been identified:
 - a. The UW System has a comprehensive system of program review processes used to assess academic-program quality and efficiency. To supplement the existing process,

- two elements should be added: a) the development of criteria that would trigger review of a program, such as low enrollment, low graduation rates and state needs; and b) the exploration of programmatic cost drivers at all System institutions.
- b. Supplementing routine program reviews with a separate, comprehensive process that allows for comparisons among programs or institutions could enhance resource-allocation decisions. System-level lateral reviews should be conducted for specialized and/or professional academic programs. These reviews assess systemwide program capacity, access and quality, program duplication, and supply and demand for programs. The UW System and the Board of Regents can initiate such a review when there is the possibility of excessive program replication, excessive or insufficient program capacity, or potential program-quality issues. Four lateral reviews have been conducted since the Board of Regents created the lateral review process in 1991, with the most recent completed in 1996.
- Benefits: Coordination, sharing of best practices, consideration of student and state needs, and potential cost savings.
 - Charting a New Course Theme: “Quality” and “Serving Wisconsin directly – state and student needs” (efficiencies and collaborations).

7. Review of UW Non-Teaching Functions

- Recommendation: The Achieving Operating Efficiencies Work Group recommends that the UW System implement a process for examining non-teaching functions for improvement. Universities have been responding to changing conditions, such as increased demands for accountability and evidence of efficiency in management, by reassessing their operations. Goals of such reviews can include: improving services, restructuring administrative functions to reduce costs, identifying opportunities for strategic investments, and enhancing competitive position.

The initial list of UW functional areas to be reviewed would include: a) auxiliary fund management, b) information technology management, c) purchasing and contract management, d) travel management, and e) human resources management. The initial phase of a purchasing review has already begun, with completion of this phase anticipated by December 2004. A second project could begin in June 2004. Based on efforts at other higher education institutions nationwide, a successful review process would include involvement by the Board of Regents; top management at UW System Administration and the institutions; institution staff; and whenever possible, outside consultants.

- Benefits: Improved coordination, implementation of good business practices, and reduced costs.
- Charting a New Course Theme: “Serving Wisconsin directly – state and student needs” (efficiencies and collaborations).

Board of Regents Study
Re-Defining Educational Quality
March 4, 2004

1. Approve minutes of March 4, 2004 meeting.
2. Discuss process for final report.
3. Finalize draft budget themes.
4. Discuss draft report and recommendations.
5. Other.

Re-defining Educational Quality
Budget Recommendations
DRAFT – 2/25/04

Quality Education.

A quality education is a component of each of the three themes adopted by the Regent Study: Quality, Access and Serving Wisconsin Directly – State and Student Needs. It starts with a set of inputs consisting of students with demographic and academic readiness characteristics, and resources coming from a combination of state, federal and private investments. With these inputs, the UW System seeks to engage its students in the educational processes and practices necessary to assure for them the achievement of a set of value added educational outcomes that are responsive to their needs and those of the state. So, a quality education embraces each of the main themes identified by the Regent study of quality, access, and serving Wisconsin directly – student and state needs.

Budget Initiatives.

In order to serve the needs of the state and students, we must assure access to all qualified students regardless of income, and provide for those students access to a quality faculty, learning activities, and the other resources needed to effectively engage them in educational pursuits leading to value added outcomes.

I Students and Faculty:

- A. Financial Aid: Students and their parents have had to bear an increasing portion of the cost of higher education as GPR resources have diminished and costs have increased. This has most seriously affected lower income residents. In order to assure that we provide higher educational opportunities to lower income students, financial aid must keep pace as the cost of education is increasingly shifted to students and their families.

- B. Attracting and retaining quality faculty and instructional staff. Faculty, instructional academic staff and students are the most fundamental of the resources needed to provide quality education. Faculty, instructional academic staff and students must be engaged in educational processes and practices that lead to value added student outcomes. In recent years, the pool of resources for faculty and instructional academic staff has shrunk, and this has been exacerbated by the increase in the number of students served. This requires that we:
 - Augment the existing pool of faculty by increasing the number of faculty positions system-wide and,
 - Provide a faculty and instructional academic staff pay plan that reverses the erosion of salaries that has occurred in recent years,

and that has impeded efforts to attract new, and retain existing faculty and staff.

II Educational Quality Investment Fund.

The Educational Quality Investment Fund would provide for the development of new transformative teaching and learning practices and processes in the areas of:

- instructional delivery/pedagogy
- curricula
- technology/library

with the goals of:

- enhancing the quality of a UWS education
- achieving value-added outcomes of student learning
- preparing UWS graduates to contribute to the communities and economy of the state
- improving the quality of work life for faculty and staff
- assisting UWS campuses in operating more effectively and efficiently
- transforming the educational delivery system¹ at UWS campuses
- transforming the organizational systems² of UWS campuses

The creation of such a fund is supported by the premises that:

- Fundamental not incremental changes in academic and administrative practices on UWS campuses are necessary to maintain and enhance UWS's position as a premiere system known for its educational quality.
- The practices deemed most critical are those that affect student learning, teaching, quality of faculty/staff work life and organizational systems.
- Incubation and implementation of new teaching and learning practices over the long-term will reduce the cost per student to deliver a college/university education.
- Thus, the UWS can preserve educational quality, remain accessible to the citizens of Wisconsin and continue to make significant economic contributions to the state.

A panel of faculty, staff and administrators from around the System will review grant proposals.

¹ Guskin, Alan E. & Marcy, Mary B. (2003). Dealing with the Future Now: Principles for Creating a Vital Campus in a Climate of Restricted Resources. *Change, July/August, 2003*, 10-20.

² _____. *ibid.*

UWS EDUCATIONAL QUALITY INVESTMENT FUND

Call to Action

The Redefining Educational Quality working group of the UWS Board of Regents' Charting a New Course for the UW System study proposes to establish the UWS Educational Quality Investment Fund.

This fund supports the premise that fundamental not incremental changes in academic and administrative practices on all UWS campuses are necessary to maintain and enhance UWS's position as a premiere system known for its educational quality. The practices deemed most critical are those that affect student learning, teaching, quality of faculty/staff work life and organizational systems.

This fund seeks to garner support and fiscal resources from the state and UWS stakeholders who recognize that the incubation and implementation of new teaching and learning practices over the long-term will reduce the cost per student to deliver a college/university education. Thus, the UWS can preserve educational quality, remain accessible to the citizens of WI and continue to make significant economic contributions to the state.

Grant Categories Supported by Fund

- Organizational Efficiencies/Effectiveness
- Instructional Delivery/Pedagogy
- Curricula
- Technology/Library

Fund Goals

- Enhance the quality of a UWS education
- Achieve value-added outcomes of student learning
- Prepare UWS graduates to contribute to the communities and economy of the state
- Improve the quality of work life for faculty and staff
- Assist UWS campuses in operating more effectively and efficiently
- Transform the educational delivery system¹ at UWS campuses
- Transform the organizational systems² of UWS campuses

¹ Guskin, Alan E. & Marcy, Mary B. (2003). Dealing with the Future Now: Principles for Creating a Vital Campus in a Climate of Restricted Resources. *Change, July/August, 2003*, 10-20.

² _____. *ibid.*

UWS EDUCATIONAL QUALITY INVESTMENT FUND

Fund Administration and Proposed Budget

GPR Contribution	5,000,000.00
Executive Director	100,000.00
Staff Support	35,000.00
Grant Reviewers – Stipends	10,000.00
Office space, equipment, supplies, travel	15,000.00
Total →	\$5,160,000.00

A panel of faculty, staff and administrators from around the System will review grant proposals. Appointment to the panel will be for predetermined and staggered terms. The first grant panel along with the Fund administration will help determine criteria for reviewing proposals.

Examples of Grants

Below are some examples, by grant category, of projects/activities that could be undertaken with support from the UWS Educational Quality Investment Fund.

Organizational Efficiencies/Effectiveness

- ✓ Determine ways in which campuses can generate profit (tuition and other) and retain this income
- ✓ Create a campus Center for Research, Forecasting & Change that engages, informs and supports these activities
- ✓ Activities to restructure/reengineer processes or units and develop an ongoing process that continually explores how a campus is structured, what units/people do and how best to be organized to deliver services
- ✓ Institutionalize and regularly conduct visioning activities
- ✓ Institutionalize and regularly conduct administrative audits
- ✓ Implement zero-based budgeting
- ✓ Create an internal “University of the University” that develops and trains staff to migrate to/through departments regularly around the campus.
- ✓ Reduce the tuition of students who commit to certain experiential learning on-campus that contributes to the student's learning outcomes and also assists a campus unit or function
- ✓ Reward vendors, community agencies and businesses that engage in the student learning process with our faculty, staff and students. Examples: assign Human Services students as volunteers to help a local domestic abuse center, in turn the student volunteers can meet their learning outcomes; award a regional office supply company access to sell its goods to a campus if it serves as an internship site for faculty, staff and students from the business college

UWS EDUCATIONAL QUALITY INVESTMENT FUND

Instructional Delivery/Pedagogy

- ✓ Incorporate performances, application of skills, mastery and competency demonstrations to assess learning outcomes
- ✓ Incorporate technology in the delivery of instruction
- ✓ Provide reward to professional/administrative staff who actively participate in the teaching and learning process with faculty in the classroom or through activities that are a part of a course curriculum
- ✓ Create and support a Teaching and Learning Academy for faculty within the institution
- ✓ Integration efforts by faculty and instructional academic staff that incorporate service- and experiential-learning into the classroom
- ✓ Adoption across all campus academic disciplines of a reflection activity as a required component of the student learning process

Curricula

- ✓ Integrate value-added outcomes and competencies as part of the objectives of a course
- ✓ Use more active and experiential learning experiences (de-emphasize “seat time” and credits completed) in all classes
- ✓ Allow students to exit a course when they achieve all the outcomes; this means a student may leave before the scheduled completion of a course
- ✓ Incorporate other people (in addition to the instructor; not just another instructor) with discipline knowledge or experience into courses for a more meaningful learning experience
- ✓ Review and revise the General Education curriculum
- ✓ Allow prior learning and work experience to count toward achievement of course and student outcomes
- ✓ Support learning experiences that engage faculty, students and staff in activities directed at/for the university, i.e. projects by marketing students that assist the university in marketing itself or some other feature; counselor education students help operate career services and counseling center, etc.
- ✓ Revise program review processes to include a curricula audit component that focuses on student learning outcomes

Technology/Library

- ✓ Establish a mechanism of on-going professional development to assist faculty and staff in learning and using technology
- ✓ Create and support a unit of Technology Deployment for Instruction and Student Learning to help people understand and use the different platforms of technology in the classroom and the work environment
- ✓ Reward units, individuals and groups when they demonstrate successful implementation of technology/automation that they have shown better serve students, created efficiencies and reduced costs

QUALITY

Draft 2-25-04

Vision

The University of Wisconsin – System is committed to maintaining and enhancing its position as a premier system of higher education that effectively and efficiently serves the maximum number of students, and that fully engages them in learning and personal development resulting in value added student outcomes, and benefits to the state.

The efficient and effective use of resources to maintain a high quality education requires the system to continuously examine ways to maintain quality in the face of resource constraints. That requires that we strike a difficult balance between providing broad access to higher education in general, and specific programs and courses in particular, while assuring that the educational experience is of high quality. To provide access to a University system that does not have adequate resources to offer a high quality education serves neither the state, nor students. In order to assure that we effectively and efficiently serve the maximum number of students, and provide them with a high quality educational experience requires that we continuously evaluate and assess quality, as well as the ways we provide academic and student support services. We must recognize early if the quality of the education we provide is slipping, so that we can make necessary adjustments without experiencing a long term reduction in quality that would seriously impact our students and the state, and would be very difficult to reverse

Quality Education.

A quality education starts with a set of inputs consisting of students with demographic and academic readiness characteristics, and resources coming from a combination of state, federal and private investments. With these inputs, and through operational and educational processes and practices, the UW System seeks to assure for its students a set of value added outcomes that are responsive to their needs and those of the state. To achieve that end, requires continuous assessment, evaluation and revisions of educational policies, practices and strategies to assure successful retention and graduation of students in a reasonable time, with value added educational outcomes. That evaluation and assessment must exist at every step in the educational process.

Principles that guide the UW-System in assuring high quality education.

- 1. The methods used to both achieve and assess outcomes must be demonstrably effective, and must themselves be under continuous review and revision to assure their effectiveness.*
- 2. Quality must be something in which all involved in the educational enterprise, i.e. students, faculty, and staff, are fully engaged. Toward this end, the whole institution must be part of the consideration and debate to develop and*

continuously improve a model of quality education that suits the institution and its students.

3. *Respect for campus autonomy.* The UW-System is made up of 15 institutions serving a diverse group of citizens. That diversity requires that there be respect for each institution's autonomy to debate and determine the components of a quality education within the boundaries of the larger interpretation provided here. Institutions must have the freedom to achieve the value added outcomes with processes that best suit their institution and its stakeholders.
4. *Respect for institutional mission.* For the UW-System to respond and serve different needs in different ways, it is imperative that we honor the select mission of each of our 15 institutions.
5. *Balance Access with Quality.* In order to assure that graduating students are prepared to contribute to the success of the state, access to the University, its programs and classes must be balanced with the existing resources available to provide a high quality educational experience.

Objectives:

1. *Meet the higher education needs of students and the state:*

Central to the role of the UW-System is addressing both the personal educational and development needs of its students, and the economic and cultural development needs of the state. We serve both the citizen in his/her personal education goals, as well as the state and its collective interests. The mission is to assure that students graduate with a set of skills and competencies that better prepare them for their personal and professional lives, and serve the business, civic, and cultural needs of the state. In pursuing this mission, the UW System effectively and efficiently utilizes human, physical and financial resources entrusted to it in the educational process.

2. *Develop processes that assure that students are engaged with their institution, program, faculty, and other student.*

Beyond providing students with the educational resources needed for their chosen course of study, the processes whereby students connect with these resources are critical to assuring a quality educational experience. A necessary condition for achieving value-added personal and professional outcomes is an education that actively engages students in collaborative, academically challenging, enriching and diverse educational experiences with accessible and responsive faculty, and a supportive campus environment. The nature of that engagement varies by campus and program, and should take into account the varying missions of our UW institutions.

3. *Assure value-added student learning outcomes.*

Student engagement is a necessary, but not sufficient condition for student success. Providing a quality system of higher education, requires the development of teaching and learning practices and processes, as well as evaluation and assessment tools that assure that students complete their courses and programs with significantly enhanced skills and competencies. Continuous evaluation and assessment must assure that students graduate with the value added outcomes that we seek to assure. The value added outcomes will be a rich assortment depending on the mission and goals of the particular institution and program.

The importance of a quality education to the State of Wisconsin.

Educational quality prepares graduates who become fully engaged citizens participating in the civic, political, business, and social lives of their communities and the state.

1. These graduates provide the human resources necessary to meet the ever changing demands of business, industry and the state in the 21st century.
2. These graduates provide the supply of talents, skills and competencies that attract and retain businesses in the state, resulting in:
 - a. More jobs for all Wisconsin citizens.
 - b. An enhanced tax base.
3. These graduates provide the entrepreneurial talent necessary to expand and diversify the state's economy, and social and cultural support systems that contribute to a high quality of life for state residents.
4. These graduates provide a positive return on the investment that the state makes in their education in the form of contributions to tax revenue over their lives that exceed the state's investment in their education. From this enhanced tax base comes the resources necessary for the State to respond to the needs of all of its citizens.

Consequences resulting from a failure to invest sufficient resources to provide all qualified students with a high quality education.

A lack of sufficient resources to provide all qualified students with a high quality education results in either reduced access, diminished quality, or both.

If quality is maintained and access reduced, fewer Wisconsin residents will have the opportunity to earn a baccalaureate degree which will result in:

1. Failure to provide employers with the skilled workforce they need leading them to leave the state, or discouraging them from locating in the state.
2. A widening of the achievement gap between those with opportunities to earn a baccalaureate degree, and those without.
3. A loss on the return that would accrue from greater investment in quality higher education, limiting the state's ability to respond to the educational and other needs of its citizens.

If access is maintained or increased, and quality reduced:

1. Retention and graduation rates will decline.
2. Graduates will be less prepared to meet the demands of their work and personal life.
3. Irreparable and long term harm will occur to the quality of UW students, faculty and staff.

Early Warning Signs – How will we know that quality is eroding?

The state has made significant and long term investments of time and resources in developing a high quality University System, recognized as one of the premier systems of higher education in the country, and the world. That investment has prepared Wisconsin citizens as community, business and cultural leaders, attracted into the state quality faculty and staff, as well as business and industry, and enhanced the quality of life for all Wisconsin residents. That investment provides positive economic returns to the state in the magnitude of ten dollars for every one dollar invested, as investments in higher education spur economic growth and return to the state higher tax revenue from citizens with higher incomes. The cost of higher education to the state and the student is more than returned in the form of increased tax revenues flowing to the state from graduates with higher life time earnings.

The process of building quality educational resources and educating students is a time consuming one, and a slippage in quality must be recognized and addressed early, before it leads to a spiraling decline that is difficult, if not impossible to reverse. To assure that does not happen, it is necessary to identify and monitor a set of early indicators of quality so that corrective action can be taken before such dire long term consequences materialize. Among such early indicators are:

1. *A reduction in retention rates from first to second year.*
2. *Increasing entrance requirements limiting access.*
3. *Lower percentage of high school graduates entering the UW System.*
4. *Increasing student/faculty ratio.*
5. *Fewer collaborative and field based learning opportunities.*

6. *High faculty and staff turnover.*
7. *Inability to attract replacement faculty and staff.*
8. *Reduction in investment in professional development.*
9. *Reduction in investment in academic support e.g. libraries, computer support, advising, etc.*
10. *Reduction in course offerings.*
11. *Reduction in support per student.*

Recommendations:

Budget (see attached)

(note: We haven't discussed any of the below. If the committee would like to add recommendations, these are some possible examples. We have been asked to frame recommendations within the themes of quality, access and serving Wisconsin directly – state and student needs)

Quality, Access and Serving Wisconsin directly – state and student needs:

- Each institution develop and monitor a set of quality indicators as appropriate to its select mission, priorities and goals, that include a focus on student learning outcomes,.
- Each institution develop and monitor a set of early warning signals of quality erosion.
- A compact with the state be entered into that links the level of state support with the level of student access, and establishes minimum levels of support-per-student to assure quality.
-

Summary

Our obligation to the state requires that we engage students in quality educational experiences leading to value-added student outcomes that serve student and state needs, and that higher education be available to as many Wisconsin citizens as can be served with quality within the constraints of available resources. That requires that we:

1. *Continuously evaluate, assess and improve educational practices and policies to assure effective and efficient use of resources.*
2. *Continuously monitor quality on an institution and system-wide basis, consistent with the agreed upon principles, and institutional and program mission.*
3. *Continuously monitor early warning indicators to assure that as we provide higher education opportunities to as many citizens as possible, we do not impair quality.*

Toward those ends, institutions and the system at large continue to identify and monitor measures of quality appropriate to assuring effective and efficient use of resources to

maintain and enhance the UW-System's stature as a premier system of higher education meeting the needs of students and the State.

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

REVISED

I. Items for consideration in Regent Committees

1. Education Committee - Thursday, March 4, 2004
The Friedrich Center, Room 16
University of Wisconsin-Madison
2:00 p.m.

10:00 a.m. Regent Study Groups

12:30 p.m. Box Lunch

1:00 p.m. All Regents

- Virtually There: Transforming Higher Education Through Technology.

2:00 p.m. Education Committee

- a. Approval of the minutes of the February 5, 2004 meeting of the Education Committee.
- b. Discussion: All-Regent Sessions:
 - o Regent Study Groups;
 - o Virtually There: Transforming Higher Education Through Technology.
- c. Report of the Senior Vice President for Academic Affairs:
 - 1) General Education Revisited;
 - 2) NCA Accreditation Report and Institutional Report on General Education, UW-Parkside.
- d. UW-Milwaukee Carnegie Corporation Initiative on *Teachers for a New Era*.
[Resolution I.1.d.]
- e. Authorization to Recruit, Dean of Letters and Science, UW-Madison.
[Resolution I.1.e.]
- f. Additional items that may be presented to the Education Committee with its approval.

REPORT ON NORTH CENTRAL ACCREDITATION and INSTITUTIONAL REVIEW OF GENERAL EDUCATION: UW-PARKSIDE

EXECUTIVE SUMMARY

BACKGROUND

The process of institutional accreditation and re-accreditation by the North Central Association of Schools and Colleges (NCA) provides UW System institutions an independent assessment of their academic quality and institutional health. The Education Committee is customarily provided summary institutional reports on recent North Central Association accreditation visits, which are then followed by a presentation and discussion in the committee meeting with representatives of the institution involved. In conjunction with the NCA report, Academic Information Series 1 (ACIS-1) requires that the institution also report to the Education Committee on their General Education program. This report should include discussion of the institution's philosophy of general education, including specific goals for the general education curriculum; an overview of the current general education program; a description of how the general education curriculum provides students with opportunities to achieve institutional goals; and a description of ongoing assessment process for reviewing and improving the general education program.

In February 2003, a four-person NCA Evaluation Team recommended that UW-Parkside receive an unconditional ten-year re-accreditation. Their report is attached.

As further elucidation of the information below, Chancellor Jack Keating and others from UW-Parkside will be present to discuss the re-accreditation report, to answer questions about the institution's self-study (copies available upon request), and to address the institution's ongoing reconsideration of its General Education program.

REQUESTED ACTION

This item is presented for information only and no action is required.

DISCUSSION AND RECOMMENDATIONS

UW-Parkside began planning for the self-study and re-accreditation visit in fall 1999, fully two years before the NCA evaluation visit. Chancellor Keating designated a senior faculty member to coordinate the self-study, and a NCA Accreditation Steering Committee was formed. The entire structure of the self-study was linked to the existing strategic planning process, which reflected the university's mission and objectives.

The NCA Evaluation Team held meetings with UW System President Lyall, UW-Parkside campus administrators, faculty, management and staff, students, representatives of volunteer boards, public and private schools, community organizations, business and industry,

alumni, and the UW System Board of Regents. It also reviewed a wide array of UW-Parkside administrative documents, internal academic review/assessment documents, and various UW-Parkside websites.

The Evaluation team confirmed that UW-Parkside continues to meet each of the twenty-four General Institutional Requirements. The team especially noted the strength of the university's comprehensive planning activities, remarking that UW-Parkside "has taken strategic planning seriously," and praised the university for its success in moving forward with assessment, an area of concern expressed by a previous NCA team. It also noted real gains in enrollment management and an outstanding record in attracting a diverse student body. Noting that the 2001-02 percentage of minority students stood at 18.3 percent, the team remarked that "this number is in keeping with the goal of developing a student body that mirrors that of the service region of southeastern Wisconsin, and UW-Parkside leads the UW System in meeting this goal for representation from the area it serves."

In recommending continued accreditation, the Evaluation Team concluded that since the previous NCA visit, the university had made "significant progress in refining its mission, and improving student enrollment, extramural funding for research, capital projects, and instructional technology infrastructure and support."

INSTITUTIONAL REVIEW OF GENERAL EDUCATION

A General Education Committee, consisting of eight elected faculty members, two appointed members of the academic staff, two students, and a representative of the Provost's Office, has primary oversight responsibility for the university's general education program. Beginning in 1996, the committee embarked upon an ongoing effort to assess the verbal and quantitative skills taught in general education courses, and to assess and refine general education outcomes. This resulted in the formal endorsement of five specific general education objectives: information literacy, effective writing, effective oral communication, critical/analytical thinking, and the ability to work in teams. In addition to these "process" objectives, general education also includes a set of content goals designed to ensure that all students have gained essential literacy with regard to the humanities, sciences, social and behavioral sciences, and the arts.

NEW GENERAL EDUCATION INITIATIVES

Although the university's program in general education did not receive any negative commentary in the NCA report, the current General Education Committee has embarked on an ambitious effort to recast the existing set of distribution requirements. It also has recommended that the University Seminar (a two-credit course required for all entering freshman) be suspended as a graduation requirement, pending the proposed reformulation of the set of required general education courses. These actions reflect a variety of ongoing initiatives in the teaching/learning culture at UW-Parkside, all of which converge on the primacy of student learning outcomes and assessment.

Two new major campus initiatives--The Foundations of Excellence in the First College Year, and the American Democracy Project--have further contributed toward the rethinking of the structure of general education. The Foundations Project is a two-year effort funded by the Lumina Foundation for Education and the Atlantic Philanthropies to develop and validate a set

of defining characteristics that promote success among first-year college students. This national project is led by John Gardner's Policy Center for the First Year. Based on its achievements during Phase I of the Foundations project, UW-Parkside was selected from a pool of nearly eighty applicants to be one of twelve AASCU institutions to participate in Phase II as a "founding institution." A broadly representative Foundations Task Force is actively involved in investigating and evaluating the university's existing first year program. UW-Parkside is also participating in the American Democracy Project, a multi-campus initiative that seeks to create an intellectual and experiential understanding of civic engagement in the United States in the twenty-first century. This project's concern with civic literacy and engagement dovetails with UW-Parkside's leadership role in the Campus Compact, and the university's engagement mission.

These comprehensive, intentional and institution-wide examinations and dialogues about teaching and learning for today's students and the world and work of the twenty-first century have greatly informed the work of the General Education Committee. The committee's proposed new structure dramatically reduces the number of distribution courses to create a more coherent core curriculum that will greatly simplify advising and student course selection. It also promises to promote the development of new introductory courses specifically designed as the initial course in a field of knowledge, rather than as the first course in a sequence for majors, and in which the goals and objectives of general education are explicit. Members have been meeting with academic department chairs, and the committee plans to present its proposal to the faculty senate before the end of this semester.

RELATED REGENT POLICIES

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

87-1, Principles on Accreditation of Academic Programs (3/6/87).

92-7, Academic Quality Program--Assessment (9/11/92).

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

Phone: 608-262-2324

Fax: 608-262-5739

The University of Wisconsin-Milwaukee
Carnegie Corporation Initiative on
Teachers for a New Era

EDUCATION COMMITTEE

Resolution I.1.d.:

That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approves the proposal *Teachers for a New Era*, a grant initiative funded by the Carnegie Corporation to elevate the quality of teacher education in the United States.

**UNIVERSITY OF WISCONSIN-MILWAUKEE
CARNEGIE CORPORATION INITIATIVE
ON *TEACHERS FOR A NEW ERA***

EXECUTIVE SUMMARY

BACKGROUND

In July 2003, the University of Wisconsin-Milwaukee was selected by the Carnegie Corporation of New York to participate in a multi-million dollar grant initiative entitled *Teachers for a New Era*. The initiative seeks to elevate the quality of teacher education in the United States through a focus on persuasive evidence, especially with respect to student learning growth; deep exploration and comprehension of content subject matters; and close attention to the clinical practice dimension of teaching.

As a condition of receiving the grant, Carnegie requires that the President (Chancellor) of the University of Wisconsin-Milwaukee take the full proposal to the Board of Regents for final approval.

REQUESTED ACTION

Adoption of Resolution I.1.d., approving the University of Wisconsin-Milwaukee's proposal *Teachers for a New Era*, a grant initiative funded by the Carnegie Corporation to elevate the quality of teacher education in the United States.

DISCUSSION

Over the life of the *Teachers for a New Era* initiative, the Carnegie Corporation and its funding partners expect to spend more than \$65 million on this teacher education design. The Carnegie Corporation and its funding partners sought out schools with administrative support at the highest levels and a commitment that is institution-wide to reform and reinvigorate its teacher education program. UW-Milwaukee will receive a \$5 million commitment, over five years, which it must match locally.

In addition to UW-Milwaukee, six other schools were designated *Teachers for a New Era* schools: Boston College; Florida A&M University; the University of Connecticut; Stanford University; the University of Texas at El Paso; and the University of Washington. These seven institutions join four others chosen in 2002: Bank Street College of Education in New York City; California State University, Northridge; Michigan State University; and the University of Virginia.

RECOMMENDATION

Approval of Resolution I.1.d.

Grant Award to UWM

The Carnegie Corporation's *Teachers for a New Era* Program

A national initiative to improve the quality of teaching.

Background: The Carnegie Corporation has announced that the University of Wisconsin-Milwaukee has been selected as one of 11 universities nationwide to participate in the *Teachers for a New Era* Program. UWM will receive \$5 million over a five-year period from the Carnegie Corporation to support the program.

Teachers for a New Era (TNE): The Carnegie Corporation of New York and other funders are undertaking an ambitious reform initiative, *Teachers for a New Era*, to stimulate construction of excellent teacher education programs. Success will require change in allocation of resources, academic organization, criteria for evaluating participating faculty, internal accountability measures, and relationships with practicing schools.

Teachers for a New Era is organized by three design principles:

- Teacher education programs should be guided by **a respect for evidence**, including attention to pupil learning gains accomplished under the tutelage of teachers who are graduates of the program;
- Faculty in the **disciplines of the arts and sciences should be fully engaged in the education of prospective teachers**, especially in the areas of subject matter understanding and general and liberal education; and
- Education should be understood as an **academically taught clinical practice profession**, requiring close cooperation between colleges of education and actual practicing schools; master teachers as clinical faculty in the college of education; and professional support for beginning teachers during the first two years of teaching experience (induction).

UWM Plan: UWM has created from these design principles a plan to reinvigorate teacher preparation so as to educate a generation of teachers who are effective in urban schools. UWM's work will be undertaken in close collaboration and alignment with the **Milwaukee Partnership Academy**—the collaboration of UWM, Milwaukee Teachers Education Association, MPS administration and school board, Private Industry Council, Metropolitan Association of Commerce, Milwaukee Area Technical College, Department of Public Instruction and other partners—for the goal of ensuring that every child achieve grade level or better performance in reading, writing and mathematics.

Benefits to UWM & Community: The *Teachers for a New Era* program will strengthen UWM, the Milwaukee Partnership Academy, and the Milwaukee community in several ways that include:

- Expanded involvement of faculty from the College of Letters & Science and the Peck School of the Arts in teacher preparation.
- Curriculum revisions across the campus that will enhance teacher preparation.
- Preparation of teachers with expanded capacity to become effective teachers in urban schools.
- Extramural dollars will support research and scholarship related to preparing urban teachers and assessing teacher impact on the quality of education.
- Creation of a generation of teachers prepared to be effective educators in urban settings.
- Expanded support to enable the Milwaukee Partnership Academy to achieve its important goals.

The University of Wisconsin-Madison
Authorization to Recruit:
Dean, College of Letters and Science

EDUCATION COMMITTEE

Resolution I.1.e.:

That, upon recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Chancellor be authorized to recruit and appoint a Dean, College of Letters and Science, within a salary range that exceeds 75 percent of the President's current salary.

Request for Authorization to Recruit (RAR)

Institution: UNIVERSITY OF WISCONSIN-MADISON

(APO use only) For Board of Regents Consideration on: _____

Submit this request to the Academic Personnel Office. Regent approval is required when proposed salary range exceeds above \$228,735 (75% of President's current salary), or when initiating recruitment for a Provost/Vice Chancellor/Dean. (This form must be received by the Academic Personnel Office three weeks before the date of the next Regent's meeting.)

Type of Request: Check appropriate box(es).

- ☒ Proposed salary exceeds above \$228,735
- ☒ Provost/Vice Chancellor/Dean recruitment

1. Official University Title of Position: Dean
2. Division/College/School - Department/Project: College of Letters and Science
3. Description of Duties: (Maximum of 8 lines for this field)

Serve as chief academic and executive officer of the College of Letters and Science, with the responsibility for its instructional and research environment including faculty and staff development, personnel oversight, a \$240 million budget, research, curriculum, student academic affairs, and fundraising.

4. Recommended Salary Range & Basis: \$170,000 - \$254,000
5. Source of Funds: 101
6. New Position ☐ Replacement ☒ If replacement, indicate name and salary of former incumbent:
- | | |
|----------------------------|------------------------------|
| <u>Phillip Certain</u> | <u>\$197,000</u> |
| (name of former incumbent) | (salary of former incumbent) |
7. Brief justification of Salary Range: (Maximum of 6 lines for this field)

The 2002-03 median salary for this position at our peer institutions is \$212,000 (obtained from the AAU Data Exchange). Assuming the peer salaries increase by 3% for 2003-04 and will increase by another 3% for 2004-05, the median for 2004-05 would be approximately \$225,000.

A range of \$170,000 - \$254,000 (approximately a 50% range around the 2002-03 median) is required to attract a person with the experience and competence to serve as Dean of UW-Madison's largest academic unit.

8. Approved by:

(Dean/Director)

(date)



(Chancellor/Vice Chancellor)



(date)

9. Authorization to Recruit (*Approved*) (*Denied*) by the Regents/Vice President's Office on _

(Signature)

(title)

CONFIDENTIAL

**UW-MADISON
COLLEGE OF LETTERS AND SCIENCE
DEAN**

2002-03 Peer Market Data

University of Illinois	\$222,000
Indiana University	\$214,000
University of Michigan	\$241,000
Michigan State University	\$153,000
University of Minnesota	\$205,000
University of Texas	\$212,000
University of Washington	\$195,000

2002-03	Median	\$212,000
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REVISED

I.2. Business and Finance Committee

Thursday, March 4, 2004
Friedrick Center, Room 154
1950 Willow Drive, Madison WI

- 8:30 a.m. a. Implication of the Taxpayer Bill of Rights (TABOR) on the UW System
- 10:00 a.m. Regent Study Groups
- 12:30 p.m. Box Lunch
- 1:00 p.m. All Regents
- Virtually There: Transforming Higher Education Through Technology
- 2:00 p.m. Joint with Physical Planning and Funding
- UW-Madison East Campus Plan Update
- 2:15 p.m. Business and Finance Committee
- b. Approval of Minutes of February 5 and 13, 2004 meetings of the Business and Finance Committee
- c. 2004-05 Annual Budget Decision Rules
[Resolution I.2.c.]
- d. Blue Cross/Blue Shield Amendment to the Gift Agreement
[Resolution I.2.d.]
- e. Definition of Differential Tuition and Guidelines for Student Involvement
- f. Trust Funds
- (1) 2004 Proxy Season Report
[Resolution I.2.f.(1)]
 - (2) Annual Endowment Peer Comparison Report
 - (3) Authorization to Use Regents' Discretionary Trust Funds for Presidential Search Expenses
[Resolution I.2.f.(3)]
- g. Report of the Vice President
- h. Additional items which may be presented to the Committee with its approval
- i. Closed session to consider trust fund investments as permitted by
s.19.85(1)(e) *Wis. Stats.*

2004-05 Annual Budget
Allocation Decision Rules

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the 2004-05 annual budget allocation decision rules.

2004-05 ANNUAL BUDGET ALLOCATION DECISION RULES

The annual budget allocation decision rules included in this document are based on funding included in the 2003 Wisconsin Act 33, the 2003-05 Biennial Budget Act.

I. ALLOCATION DECISION RULES FOR NEW FUNDING

A. NEW UW SYSTEM DECISION RULES

1. LAWTON UNDERGRADUATE MINORITY RETENTION GRANT/ADVANCED OPPORTUNITY PROGRAM (AOP)

The Governor recommended increasing the Lawton Grant by \$1,080,600 and the AOP by \$825,000 in 2004-05. The additional funding is to come from auxiliary enterprises and is placed in two program revenue (PR) appropriations. Funding for 2004-05 from the auxiliary appropriations will be allocated based on each institution's proportion of a three-year rolling average headcount of students of color. For the Lawton Grant, allocations are based on an institution's three-year average headcount of undergraduate students of color (African-American, American Indian, Hispanic, and Southeast Asian American). For AOP, allocations are based on an institution's three-year average headcount of graduate students of color (part-time students are weighted 35 percent).

2. UTILITIES

The 2003-05 biennial budget included a \$1,238,800 decrease in GPR funding for utilities for 2004-05. The total funding available for utilities will be distributed based on each institution's 2002-03 actual utility expenditures.

B. MODIFIED UW SYSTEM DECISION RULES

1. STUDENT TECHNOLOGY FEE

The 2003-05 biennial budget provided \$1,038,472 in 2004-05 in additional funding to meet student needs for instructional technology and information access at all UW System institutions. Allocation of this funding is proportional to 2002-03 combined academic year and summer session fee budgets excluding the student technology fee.

II. ALLOCATION DECISION RULES FOR EXISTING (BASE) FUNDING

A. LAWTON UNDERGRADUATE MINORITY RETENTION GRANT/ADVANCED OPPORTUNITY PROGRAM

Funding for 2004-05 will be allocated in the same manner as in prior years. For the Lawton Grant, allocations are based on an institution's three-year average headcount of undergraduate students of color (African-American, American Indian, Hispanic, and Southeast Asian American). For AOP, allocations are based on an institution's three-year average headcount of graduate students of color (part-time students are weighted 35 percent).

III. ALLOCATION DECISION RULES FOR COMPENSATION

A. 2001-03 CLASSIFIED PAY PLAN ADJUSTMENTS

The 2001-03 classified pay plan was not implemented until late in fiscal year 2003 and the actual costs were not known until after the 2003-04 budget was approved. Allocations for the full funding of the 2001-03 classified pay plan will be distributed based on actual costs at each institution.

B. 2004-05 UNCLASSIFIED PAY PLAN

The 2003-05 unclassified pay plan approved by the Joint Committee on Finance in October of 2003 approved a one percent pay plan increase for 2004-05. Due to possible parity adjustments as a result of the 2003-05 classified bargaining agreements, unclassified pay plan recommendations will be reviewed when there is more certainty on whether or not there should be an adjustment to the approved one percent. If the unclassified pay plan is less than two percent, it will be distributed across-the-board to all those who have a solid performance rating. If the unclassified pay plan is two percent or more, revised decision rules will be brought back to the Board for approval.

Blue Cross Blue Shield
Agreement between WUHF, UWF, and Regents

BUSINESS AND FINANCE COMMITTEE

Resolution:

That upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the UW-Madison, the Board of Regents:

- Approves the “Agreement Between the Wisconsin United for Health Foundation, Inc., the University of Wisconsin Foundation and the University of Wisconsin System Board of Regents” which includes changes from the last draft of the agreement, made at the request of WUHF, and which are in compliance with the Insurance Commissioner’s Order of March, 2000.
- Approves the “Review Process for the Determination of Non-Supplanting” which will be conducted by the UW-Madison and the UW Medical School to ensure compliance with the prohibition on supplanting in the Insurance Commissioner’s Order of March, 2000.
- Authorizes Darrell Bazzell, Vice Chancellor for Administration, UW-Madison to sign the “Agreement” on behalf of the Board of Regents, and to agree to any minor or technical changes to the “Agreement.”

The Wisconsin Partnership Fund for a Healthy Future (Blue Cross/Blue Shield Plan)

Executive Summary

BACKGROUND

The State of Wisconsin Insurance Commissioner's Order of March, 2000 (Order) approved the conversion of Blue Cross and Blue Shield United of Wisconsin to a for profit stock corporation, and the distribution of the proceeds from the sale of the stock, half to the UW Medical School and half to the Medical College of Wisconsin. The Order establishes several obligations on the Board of Regents. The following obligations have been completed:

1. In August 2002, the Regents appointed the UW Medical School Oversight and Advisory Committee, which is responsible for planning for and overseeing the use of funds allocated for public health (35 percent). The Committee also reviews, monitors, and reports to the Regents on funds committed for medical education and research (65 percent).
2. In April 2003, the Regents approved the UW Medical School Oversight and Advisory Committee's five-year expenditure plan for the use of the funds.
3. In April 2003, the Regents approved the Agreement to Accept the Gifts between the Board of Regents, the UW Foundation, and the Wisconsin United for Health Foundation, Inc. (WUHF). WUHF was created by the Insurance Commissioner's Order to sell the stock, to transfer the assets to the UW Medical School and to the Medical College of Wisconsin, to approve the initial five-year plan of each school, and to review annual reports if still in existence.
4. In December 2003, the Regents approved the Addendum to the five-year expenditure plan.

In addition, through the establishment of a Revocable Trust between the UW Foundation (UWF) and the Wisconsin United for Health Foundation (WUHF), approximately \$295 million of assets, cash, and stock, were transferred by WUHF to UWF in December 2003. The Trust enabled UWF to commence implementation of its intended investment plan for the assets while WUHF continued the process of reviewing and approving the five-year plan. Distribution of any income or principal to the UW Medical School for implementation of the five-year plan is not permitted until WUHF completes its approval process and releases the assets from the Revocable Trust.

Requested Action:

Adoption of resolution I.2.d.:

1. Approving the “Agreement between the Wisconsin United for Health Foundation, Inc., the University of Wisconsin Foundation, and the University of Wisconsin System Board of Regents.”
2. Approving the review process established by the UW Medical School and UW-Madison for determination of Non-supplanting.
3. Authorizing Darrell Bazzell, Vice Chancellor for Administration, UW-Madison to sign the “Agreement” on behalf of the Board of Regents.

DISCUSSION

Since approval by the Board of Regents, the five-year plan with the Addendum and the Agreement have been under review by the Wisconsin United for Health Foundation, Inc. WUHF did not sign the agreement as originally approved by the Regents and has proposed modifications which will result in releasing the assets from the Revocable Trust to the UWF for distribution to the Medical School under certain restrictions to be managed by UWF. The proposed modifications in the Agreement, a copy of which is provided, are:

1. Within 90 days of WUHF’s approval of the five-year plan and the Agreement, the Revocable Trust will terminate. UWF will set up two spendable accounts enabling the Medical School to spend \$30 million over a period of five-years for purposes of initial planning and implementation of programs. Thirty-five percent will be designated for public health purposes and sixty-five percent will be designated for medical education and research in accordance with the Order and the five-year plan.
2. Within 90 days of WUHF’s approval of the five-year plan and the Agreement, UWF will transfer \$100 million to two endowment accounts, 35 percent to an account designated for public health purposes and 65 percent in an endowment account designated for medical education and research. The income from these two endowment accounts will be available for use by the Medical School in accordance with the Order, the five-year plan, and the Agreement.
3. Based on a successful review by WUHF of the UW Medical School and the Oversight and Advisory Committee’s annual report on expenditures for 2004, 2005, and 2006, the UWF will transfer one-third of the balance in 2005, one-half of the remaining balance in 2006, and all remaining funds in 2007, into the existing endowment accounts mentioned in number 2 above. The review by WUHF will be pursuant to the Insurance Commissioner’s Order, the five-year plan, and the Agreement.

4. If WUHF determines in its review of an annual report that the Board of Regents, the Medical School, UWF, or the Oversight and Advisory Committee has failed to comply with the Order, the five-year plan, or the Agreement and the parties cannot resolve any differences related to non-compliance, a disputes resolution process will take effect. Step one will include the President of WUHF, the Vice Chancellor for Administration UW-Madison, and a representative of the Medical School. If step one fails to resolve the matter, the President of WUHF and the Vice Chancellor for Administration of UW-Madison will invoke step two, resulting in each appointing one non-attorney representative to work with a mutually agreed upon mediator to resolve the dispute.
5. The balance of the funds from the sale of stock, which have been retained by WUHF, shall be distributed to UWF no later than the dissolution of WUHF.
6. UWF has agreed that its indemnification obligations to WUHF contained in the Revocable Trust survive the termination of the Trust.

WUHF also requested a description of the review process to be conducted by the UW Medical School and the UW-Madison to ensure compliance with the supplanting prohibition in the Insurance Commissioner's Order. A copy of the review process is provided.

Review Process for Determination of Non-Supplanting

UW Medical School

Each external and internal applicant requesting funds either for the public health initiatives (35 percent) or the medical education or research initiatives (65 percent) as specified in the five-year plan, *The Wisconsin Partnership Fund for a Healthy Future*, must answer the questions in the Non-supplanting letter which is part of the application process. This letter (document) includes a questionnaire which is a basis for determining Non-supplanting and requires an authorizing signature attesting that supplanting will not occur if an award is made.

For the funds for medical education and research, this document must be counter-signed or approved by the Chair of the faculty member's department. If the project crosses departments and has multiple faculty, all relevant chairs must sign.

The Non-supplanting document is forwarded to the UW Medical School's Assistant Dean for Fiscal Affairs for review before any award is made. Based on the questionnaire as well as a review of other potential resources, such as community organizations' financial statements and university and medical school departmental budgets, as appropriate, the Assistant Dean will make a determination that supplanting will not occur if an award is made or will request additional information from the applicant. The Assistant Dean will inform the Oversight and Advisory Committee (OAC) or the Medical Education and Research Committee (MERC), as appropriate, in writing of his determination before any award is made. If the Assistant Dean determines that supplanting has occurred or likely will occur, no award can be made by the Oversight and Advisory Committee or the Medical Education and Research Committee, as appropriate.

If there is an irresolvable difference of opinion between the applicant and the Assistant Dean, who has determined that supplanting has occurred or will likely occur, the Assistant Dean will request the UW-Madison Office of Legal Services and/or Internal Audit to do an independent review of the circumstances. If the decision of the independent reviewer concurs with the Assistant Dean, the award will not be made. If the decision of the independent reviewer is in disagreement with the Assistant Dean, the Dean of the Medical School will be notified, and absent any additional information available, the award will be made.

As an ongoing check against supplanting, grant recipients for both the public health initiatives and the medical education and research initiatives will be asked to periodically recertify that supplanting has not occurred. Additionally, they will be required to notify the Medical School if they have received funding from another source for the funded project or have declined additional funding for the project. Recertification will occur on a regular basis, no less than every six months. Recertification will be made part of the financial and/or performance reports required of all grantees. The Assistant Dean for Fiscal Affairs will review the reports as well as other potential resources, such as community organizations' financial statements and university and medical school budgets, and make a determination that there is no evidence of supplanting. Recipients of multi-year awards will be required to resubmit the Non-supplanting letter and questionnaire annually. If there is any subsequent evidence of supplanting, the Assistant Dean for Fiscal Affairs will notify the OAC or the MERC, as appropriate, and the project will be halted immediately. Legal Services and/or Internal

Audit will be asked to conduct an independent review of the circumstances and make a final determination. If evidence of supplanting is confirmed and with the concurrence of Legal Services, the grantee will face suspension of future funds under this program and steps will be taken to recover money provided from the grant.

The Dean of the Medical School will annually attest that the Medical School has complied with the supplanting prohibition in the Insurance Commissioner's Order and has made such a determination for each proposal approved and for each program funded. This attestation will be part of the annual report on expenditures required by the Insurance Commissioner's Order.

During the preparation of the annual report on expenditures, the Assistant Dean for Fiscal Affairs and the Program Administration Office will consult with Legal Services and Internal Audit, as appropriate, to ensure compliance with the required elements of the annual report as specified in the Insurance Commissioner's Order.

Non-Supplanting Determination involving UW-Madison/UW System

The UW-Madison Vice Chancellor for Administration will monitor on an ongoing basis the University's budget allocation to the Medical School to ensure that the UW-Madison and UW System are in compliance with the supplanting prohibition in the Insurance Commissioner's Order. The Vice Chancellor will also annually attest that the UW-Madison and the UW System have complied with the supplanting prohibition in the Order. This attestation will be part of the annual report on expenditures prepared by the Medical School in accordance with the Insurance Commissioner's Order.

Review Process for Determination of Non-Supplanting

Questionnaire

1. Would the proposed use of the funds replace other funding the applicant already possesses for the proposed project? ☐ Yes ☐ No

If yes, please explain:

2. Has the applicant applied to another funding source for the same or similar project? ☐ Yes ☐ No

If yes, what was the result of the application, or when does the applicant expect to receive a decision from that other funding source?

3. Would the proposed use of the funds replace other funding the applicant expects to receive through grants or awards from other funding sources?
☐ Yes ☐ No

If yes, please explain:

4. Has the applicant previously done (or is currently doing) the same or a similar project? ☐ Yes ☐ No

If yes, briefly describe the project (nature of, length of, and how it was funded):

5. Are there any other relevant factors in the particular situation which could indicate a breach of the prohibition against supplanting? ☐ Yes ☐ No

If yes, please explain:

AGREEMENT BETWEEN
THE WISCONSIN UNITED FOR HEALTH FOUNDATION, INC.,
THE UNIVERSITY OF WISCONSIN FOUNDATION AND THE UNIVERSITY OF
WISCONSIN SYSTEM BOARD OF REGENTS

WHEREAS, Blue Cross and Blue Shield United of Wisconsin, in 2001 as a Wisconsin insurance corporation, received approval from the Commissioner of Insurance for the State of Wisconsin (Commissioner) by Order and Decision of March 28, 2000 to convert to a for-profit Wisconsin corporation (such Order and Decision being hereafter referred to as the “Order”), and by that decision Commissioner ordered Wisconsin United for Health Foundation, Inc. (WUHF) to distribute net funds available from the sales of stock of Cobalt Corporation, (the new for-profit corporation formed by a merger of Blue Cross and United Wisconsin Services), one-half to the Medical College of Wisconsin and one-half to the University of Wisconsin Medical School, in accordance with the purposes set forth in WUHF’s Articles of Incorporation;

WHEREAS, Commissioner has ruled that the two Wisconsin medical schools must each establish an oversight and advisory committee to advise the school’s governing body and make decisions regarding the funds in certain situations;

WHEREAS, Commissioner made other rulings in the Order of March 28, 2000, concerning requirements and procedures for the planning, expenditure of the funds, reporting and auditing;

WHEREAS the University of Wisconsin Foundation (UWF) is a private nonprofit Wisconsin corporation organized and existing to raise, receive, hold and invest funds for the benefit of the University of Wisconsin-Madison and its units, including the University of Wisconsin Medical School (Medical School); and UWF will receive the funds from WUHF and invest and account for the funds and disburse them to the Medical School upon Medical School’s request consistent with the Order;

WHEREAS, UWF has in place institutional policies, which may change from time to time for all of its endowed funds, including but not limited to institutional spending objectives, and such objectives are uniformly applicable to all of its endowed funds;

WHEREAS, the Board of Regents of the University of Wisconsin System (Regents) is an agency of the State of Wisconsin, and has as one of its units, the University of Wisconsin-Madison and a subunit, the UW Medical School (Medical School); and Regents are the governing body to appoint the oversight and advisory committee (“Committee”) and perform other obligations under Commissioner’s Order referred to above;

WHEREAS, Commissioner ruled in paragraph 2 of her Order of March 28, 2000 entitled “Accountability for Distribution of Funds” that governing instruments be prepared and executed to implement the accountability provisions of paragraph 2 of the Order;

WHEREAS, the Medical School has developed the 2003 Five Year Plan with an addendum and a supplemental “Review Process for Determination of Non-Supplanting” document (collectively and hereafter the “Five Year Plan”), all of which have been approved by the Regents and by the Committee in relevant part;

WHEREAS, WUHF has determined that the 2003 Five Year Plan constitutes a plan necessary to comply with the standards specified under the Order and WUHF has also determined that the revised instruments approved by Commissioner in the Order, with the execution of this Agreement, are in effect to govern the Restricted Gift Funds as defined below; and

WHEREAS, accordingly, WUHF has accepted the Five Year Plan simultaneously with and conditioned upon full execution of this Agreement;

NOW THEREFORE, the parties agree as follows:

A. Obligations of WUHF

1. WUHF will distribute net funds available from the sales of stock to UWF in accordance with the Commissioner's Order (all funds and assets disbursed or distributed to UWF, whether directly from WUHF or indirectly from WUHF by distribution from the Wisconsin United for Health Foundation, Inc. Revocable Trust I (the "Trust"), being hereafter referred to collectively as the "Restricted Gift Funds") as follows:
 - a. Within ninety (90) days after WUHF's acceptance of the Five Year Plan and the execution of this Agreement, the Trust shall terminate by its own terms and UWF, as trustee of the Trust, will distribute to UWF in its corporate capacity and in accordance with the provisions of this Agreement all WUHF assets held in the Trust. UWF agrees that this distribution will be deemed as being made directly by WUHF and shall be subject to the restrictions set forth hereafter and as follows:
 - (i) Available for Immediate Expenditure: Thirty Million Dollars (\$30,000,000) of the Restricted Gift Funds received from the Trust ("Immediate Funds") shall be considered fully available for expenditure for the purposes of initial planning and implementation of programs as approved by the Committee and the Regents in accordance with the Five Year Plan. Any portion of the Immediate Funds not expended within five years after such funds receipt by UWF shall thereafter be added to the Endowed Funds described below and be subject to the UWF institutional spending objectives as they may change from time to time and as uniformly applicable to all its endowed funds.
 - (ii) Endowed Amount: The balance of the Restricted Gift Funds received from the Trust shall be a permanently restricted endowment (Endowed Funds) and subject to the UWF institutional spending objectives as they may change from time to time and as uniformly applicable to all its endowed funds. The Endowed Funds are further restricted by the provisions set forth in Section B. 3. and 4. below, in furtherance of WUHF's obligations.

- b. The Restricted Gift Funds available for distribution to UWF not distributed under Section A.1.a. shall be distributed to UWF no later than upon the dissolution of WUHF in accordance with the provisions of WUHF's articles and bylaws, and applicable law. Such subsequent distributions shall constitute Endowed Funds under Section A.1.a.(ii). WUHF shall not impose any further restrictions on such subsequent distributions, beyond the restrictions applicable to such Endowed Funds pursuant to this Agreement.
 2. WUHF shall review, in accordance with the provisions hereinafter set forth, the annual reports and annual advisory reports submitted by the Committee, which reports for the purposes of this Agreement shall append the Medical School's report to the Committee (being the reports required under the Order and collectively referred to as the "Annual Report"), for the years 2004, 2005, and 2006. Thereafter, WUHF, if it is still in existence, shall receive annual reports and annual advisory reports from the Committee and audit reports from the Medical School/UWF as are required under the Order and shall have no further role with respect to such reports or future five-year plans.
- B. Obligations of UWF
1. UWF will receive, invest and account for all funds received from WUHF in accordance with its charter and bylaws as a Wisconsin private nonprofit corporation, and consistent with and restricted by the terms of Commissioner's Order of March 28, 2000 and the applicable provisions of this Agreement.
 2. UWF will establish and administer accounts on behalf of the Medical School for all the funds received from WUHF and will apply an allocation of 35% for public health purposes and 65% for health care provider education and medical research purposes. UWF will also implement changes in such allocation, if any, in accordance with the determination of the Committee which will be undertaken annually as part of a Committee review of the allocation, provided such changes are requested by the Medical School and comply with the Commissioner's Order of March 28, 2000.
 3. General Restrictions. The Restricted Gift Funds shall be invested consistent with UWF's institutional policies as they may change from time to time. Immediate Funds and Endowed Funds shall be invested in a manner consistent with other like funds at UWF. The Restricted Gift Funds shall be held or expended in accordance with the Order, the provisions of this Agreement, and the Five Year Plan. Distributions to the Medical School from Endowed Funds shall be made following UWF institutional spending objectives as they may change from time to time and as uniformly applicable to all UWF endowed funds, provided however that such distributions are consistent with the Order, this Agreement and the Five Year Plan.
 4. UWF Management of the Accounts and Supplemental Restrictions
 - a. All Restricted Gift Funds distributed to UWF from WUHF will be initially placed in a UWF Restricted Gift Account to be distributed to Immediate Funds accounts and Endowed Funds accounts as hereinafter provided.

- b. Initial Year and Restrictions
- (i) Immediately upon establishment of the Restricted Gift Account, UWF will transfer the Immediate Funds (thirty million dollars (\$30M)) to UWF spendable accounts, 35% in a spendable account for public health purposes and 65% in a spendable account for health care provider education and medical research. Spendable accounts are accounts where both principal and income are available to the Medical School for expenditure pursuant to the approved Five Year Plan and the Order. Funds in the spendable accounts will be available to the Medical School for initial planning and implementation of programs as approved by the Committee and the Regents for a period of five (5) years after UWF's receipt of the funds. At the end of that time, any remaining funds will be transferred to the respective Endowed Funds accounts described below in subsection b(ii).
 - (ii) Immediately upon establishment of the Restricted Gift Account, UWF will transfer one hundred million dollars (\$100M) to UWF Endowed Funds accounts, 35% in an account designated for public health purposes and 65% in an account designated for health care provider education and medical research under the Order. Distributions of income from these funds will be available to the Medical School consistent with UWF spending objectives as they may change from time to time and as uniformly applicable to all its endowed funds.
- c. Year Two and Restrictions: After the effective date of WUHF's successful review of the Medical School's Annual Report for 2004 as determined pursuant to Section C. 4. below, UWF will transfer one-third (1/3) of the December 31, 2004 balance of the Restricted Gift Account to the existing Endowed Funds accounts mentioned in Section B. 4. b(ii) above in the same percentages as stated in that subsection, or in such percentages as may be modified by the Committee from time to time.
- d. Year Three and Restrictions: After the effective date of WUHF's successful review of the Medical School's Annual Report for 2005 as determined pursuant to Section C. 4. below, UWF will transfer one-half (1/2) the December 31, 2005 balance of the Restricted Gift Account to the existing Endowed Funds accounts mentioned in Section B. 4. b(ii) above in the same percentages as stated in that subsection, or in such percentages as may be modified by the Committee from time to time.
- e. Year Four and Restrictions: After the effective date of WUHF's successful review of the Medical School's Annual Report for 2006 as determined pursuant to Section C. 4. below, UWF will transfer all remaining funds in the Restricted Gift Account to the existing Endowed Funds accounts mentioned in Section B. 4. b(ii) above in the same percentages as stated in that subsection, or in such percentages as may be modified by the Committee from time to time.

5. Consistent with the limitations set forth in B.3 and B.4 above, UWF will disburse funds available from Immediate Funds accounts or available in accordance with the UWF spending objectives from the Endowed Funds accounts mentioned above to the Medical School upon Medical School's written representation that the funds will be expended by the Medical School in accordance with Commissioner's Order of March 28, 2000, and will not supplant other resources that may be available to accomplish the same purpose.
6. UWF will, in addition, implement paragraph 2.(7)(e), of Commissioner's Order of March 28, 2000 and do separate financial accounting for the funds under paragraph 2.(18) of that Order.
7. Notwithstanding any provision to the contrary herein, UWF and WUHF acknowledge that the indemnification obligations of UWF to WUHF contained in the agreement forming Wisconsin United for Health Foundation, Inc. Revocable Trust I dated December 1, 2003, survive the termination of such Trust.

C. Obligations of the Regents

1. Under the Order, the Regents were required to create, name, and appoint an oversight and advisory committee and charge it with the planning and use of the funds granted, according to the terms and conditions set forth in Commissioner's Order of March 28, 2000. Under the Order, the Regents were also required to approve bylaws for the oversight and advisory committee to implement the terms of the Order. The Committee is the oversight and advisory committee created by the Regents under the terms of the Order and the Regents hereby represent that they have performed all the obligations stated in this Section C. 1. pursuant to the Order. The Regents also represent that the bylaws of the Committee are consistent with state and University rules, policies and procedures. The Regents agree that they shall cause the Committee to continue to exist and operate in accordance with the Order.
2. The Regents will request the depositing of funds from WUHF to the UWF with thirty-five percent (35%) of the funds in accounts at the UWF for public health purposes and sixty-five percent (65%) of the funds in accounts at the UWF for health care provider education and medical research. Should the allocation percentage between purposes change in accordance with the determination of the Committee to be undertaken annually as part of the Committee review pursuant to processes set forth in the Order, the Regents will assure that the Medical School requests UWF to make a different allocation consistent with the Order and the Committee determination.
3. The Regents will assure that UW-Madison and its Medical School expend and disburse the funds pursuant to the terms of Commissioner's Order of March 28, 2000; including the obtaining of program and financial audits under paragraph 2(15), separate financial accounting and financial reporting for the funds under paragraph 2(18), and the requirement that all funds, including the funds allocated for public health, be expended through, or in collaboration with, the Medical School, as provided by paragraph 7(f) of that Order. The Regents understand that paragraph 7(f) will require the Medical School

and the Committee to agree on the expenditure of the funds for public health. The process for review of the Annual Reports for 2004, 2005 and 2006 shall be in accordance with the provisions of C. 4. below.

4. Annual Reports

- a. Submission and Review of Annual Reports with Procedures: The Committee and the Medical School will report annually on a calendar year basis pursuant to the Order with the first such Annual Report being prepared for the year ending December 31, 2004. All Annual Reports shall be submitted no later than June 30 following the close of the relevant year. Pursuant to the Order and this Agreement, WUHF shall review the Annual Reports for the years 2004, 2005 and 2006. Unless WUHF as a result of its review of an Annual Report referred to in Section A.2 above for the years 2004, 2005, or 2006 expressly determines that the Regents, the Medical School, UWF or the Committee shall have failed materially to comply with the Order, the Five Year Plan or this Agreement, and unless WUHF has provided written notice of such failure to the Medical School and UWF within 60 days following receipt of such Annual Report, with such written notice describing in detail the items of material noncompliance, WUHF shall be deemed, for the purposes of this Agreement, to have successfully reviewed such Annual Report and to have concluded that the Regents, the Medical School, UWF and the Committee have complied with the Order, the Five Year Plan and this Agreement for the reporting period of such Annual Report. The Medical School or UWF upon receipt of such notice of non-compliance may (i) proceed to bring into material compliance (or provide a compliance plan for) such items of material noncompliance and shall provide a report of such compliance ("Compliance Report") to WUHF, or (ii) provide WUHF with written objections to WUHF's determination describing in detail the objections of the Medical School or UWF or the Committee to WUHF's determination of material noncompliance.
- b. Compliance Reports. Unless WUHF expressly determines that a Compliance Report shall have failed materially to comply with the Order, the Five Year Plan or this Agreement and has provided written notice to the Medical School and UWF within 30 days following receipt of a Compliance Report from the Medical School and UWF (and the Committee, if appropriate) describing in detail the items of material noncompliance, WUHF shall be deemed to have successfully reviewed the Annual Report, which it previously had determined had failed materially to comply, for the purposes of this Agreement. The written notice by WUHF referred to above in this Section C. 4. b. shall only address issues within the scope of (i) the notice which gave rise to such Compliance Report or (ii) such Compliance Report itself; and any items detailed by WUHF in the written notice which address issues outside of such scope shall be deemed to have not been included in the notice.

The Medical School or UWF upon receipt of such notice may (i) proceed to bring into material compliance (or provide a compliance plan for) such items of

material noncompliance and shall provide a new compliance report to WUHF for reconsideration under this Section C. 4. b., or (ii) provide WUHF with written objections to WUHF's determination.

- c. Dispute Resolution. If the Medical School or UWF objects to WUHF's determination of noncompliance under Section C. 4. b above, the parties shall proceed as follows:
 - (i) Within twenty (20) days after receipt of written objections of the Medical School or UWF under Section C. 4. b above, the President of WUHF will discuss the matters in dispute with the University of Wisconsin-Madison Vice Chancellor for Administration and a representative of the UW Medical School, and a UWF representative, when appropriate, in an attempt to resolve the matter.
 - (ii) If the above step fails to resolve the matter, the President of WUHF and the University of Wisconsin-Madison Vice Chancellor for Administration will each appoint one non-attorney representative to work with a mutually agreed-upon experienced mediator to resolve the dispute. Pursuant to usual court-approved mediation process, each party may be represented by counsel in the mediation
 - (iii) The scope of any dispute resolution or other review shall be strictly limited to whether the Annual Report as supplemented by any Compliance Report evidences in form and substance the material compliance of the Regents, the Medical School, the Committee and UWF with the Order, the Five Year Plan and this Agreement. All parts of an Annual Report as supplemented by any Compliance Report, which WUHF has not itemized as being in material noncompliance in its latest notice of noncompliance, shall be deemed conclusively to have materially complied with the Order, the Five Year Plan and this Agreement for the purposes of this Agreement.

D. Controlling Effect of the Order

The parties to this Agreement specifically agree that each of their respective obligations as set forth in this Agreement shall be undertaken only in conformity with the Order of the Commissioner of Insurance for the State of Wisconsin dated March 28, 2000. To the extent that any provision of this Agreement may conflict or be inconsistent with any provision of the Order, the terms and conditions set forth in the Order shall control, and any conflicting or inconsistent provision contained herein shall be void. The parties hereto acknowledge and agree that the provisions and restrictions herein are in conformity and consistent with the Order.

This Agreement shall be declared effective on the _____ day of _____, 2004.

WISCONSIN UNITED FOR HEALTH FOUNDATION, INC

By: _____
Ben Brancel, President

Date: _____

UNIVERSITY OF WISCONSIN FOUNDATION

By: _____
Andrew A. Wilcox, President

Date: _____

BOARD OF REGENTS FOR UNIVERSITY OF WISCONSIN SYSTEM

By: _____
Darrell Bazzell, Vice Chancellor for Administration
University of Wisconsin - Madison

Date: _____

DEFINITION OF DIFFERENTIAL TUITION AND GUIDELINES FOR STUDENT INVOLVEMENT UW System

BACKGROUND

In its *Study of the UW System in the 21st Century*, the Board of Regents approved flexibilities for tuition setting, encouraging UW System institutions to propose and implement differential tuition rates for unique programs with strong demand and/or special operating costs. In May, 1999, the Board of Regents approved guidelines outlining student involvement in differential tuition initiatives. The UW System Administration has worked closely with the United Council of UW Student Governments to update and further clarify differential tuition definitions and student involvement procedures.

REQUESTED ACTION

No action necessary. For informational purposes only.

DISCUSSION AND RECOMMENDATIONS

When the guidelines outlining student involvement in the implementation of differential tuition were originally approved in May, 1999, differential tuition was a fairly new policy with a simple definition. Differential tuition has now become much more widespread and complex across the UW System, requiring separate definitions and procedures for program specific and institution-wide differential tuition. The University of Wisconsin System Administration has worked closely with the United Council of UW Student Governments to agree upon clear definitions and procedures for program specific and institution-wide differential tuition that will be helpful to both campus administrators and student leaders as they explore tuition options in the future. Changes to tuition plateaus, including per credit tuition, were also discussed and would be implemented using either the program specific or institution-wide procedures depending on whether the proposed change is program specific or institution-wide. It should be noted that the Board has not established a policy relative to program specific differentials at the undergraduate level. UW-Milwaukee was granted approval to move forward with four pilot programs at the undergraduate level but the Board has clearly indicated that further discussion and guidance will be needed before it encourages any further movement in undergraduate differentials.

RELATED REGENT POLICIES

Study of the UW System in the 21st Century (June 1996)

Regent Policy #99-2: Student Involvement In Differential Tuition Initiatives (May 1999)

REGENT POLICY #99-2:
STUDENT INVOLVEMENT IN DIFFERENTIAL TUITION INITIATIVES

1. Students will be advised through their student government organizations of all planned differential tuition initiatives before proposals are submitted to the Board of Regents
2. To the extent possible, UW System institutions will consult with students directly affected by the proposed differential tuition initiative
3. Differential tuition initiative proposals presented to the Board of Regents will include a section on the student consultation process and outcome, as well as any official stance forwarded by the student government organization
4. The Chancellor of the UW System institution, in consultation with the President of the UW System, will make the final determination whether a differential tuition initiative is submitted to the Board of Regents for approval; student approval is not a requirement for the initiative to be forwarded to the Board of Regents
5. Spending decisions related to the funds generated by the differential tuition are ultimately the responsibility of the Chancellor of the UW System institution as indicated in s. 36.09 (3) Wis. Stats.

Approved 5/7/99 as revised by the Board of Regents

DEFINITION OF PROGRAM SPECIFIC DIFFERENTIAL TUITION

Program specific differential tuition is defined as tuition that is added to the institution's base tuition level set by the Board of Regents for a specific program to supplement academic and other student services above and beyond existing activities supported by GPR and PR funding. This definition does not apply to Board of Regents initiated program specific differential tuition initiatives.

PROGRAM SPECIFIC DIFFERENTIAL TUITION PROCEDURES

1. Students will be advised through their student government organizations of all planned program specific differential tuition initiatives before proposals are submitted to the Board of Regents.
2. To the extent possible, UW System institutions will consult with students directly affected by proposed program specific differential tuition initiatives which affect solely a single campus.
3. When student involvement is required, program specific differential tuition proposals presented to the Board of Regents will include a section on the student consultation process and outcome, as well as any official stance forwarded by the student government organization.
4. Program specific differential tuition proposals must clearly state their purpose(s) of the differential as established by the institution in conjunction with students and students (if required) when brought forth to the Board of Regents.
5. Program specific differential tuition proposals must describe any oversight, evaluation, and/or consultation process for the initiative. The format of this oversight, evaluation, and/or consultation process will be part of the discussion with students prior to bringing the initiative to the Board of Regents for approval.
6. The Chancellor of the UW System institution, in consultation with the President of the UW System, will make the final determination whether a program specific differential tuition initiative is submitted to the Board of Regents for approval.
7. Systemwide program specific differential tuition initiatives approved by the Board of Regents do not require student involvement.
8. Spending decisions related to the funds generated by the program specific differential tuition are ultimately the responsibility of the Chancellor of the UW System institution as indicated in s. 36.09 (3) Wis. Stats.

DEFINITION OF INSTITUTION-WIDE DIFFERENTIAL TUITION

Institution-wide differential tuition is defined as tuition that is added to the base tuition level set by the Board of Regents to supplement services and programming for students within that institution above and beyond existing activities supported by GPR and PR funding. This definition does not apply to Board of Regents initiated institution-wide differential tuition initiatives.

INSTITUTION-WIDE DIFFERENTIAL TUITION PROCEDURES

1. Students will be advised through their student government organizations of all planned institution-wide differential tuition initiatives before proposals are submitted to the Board of Regents.
2. Institution-wide differential tuition proposals presented to the Board of Regents will include a section on the student consultation process and outcome, as well as any official stance forwarded by the student government organization if one has been provided. Institutions should attempt to provide adequate time for the student government organization to review the final proposal.
3. Institution-wide differential tuition proposals must clearly state their purpose(s) established by the institution in conjunction with students when brought forth to the Board of Regents. The institution may change the purposes for which the funding is expended with student consultation.
4. Institution-wide differential tuition proposals must describe any oversight, evaluation, and/or consultation process for the initiative. The format of this oversight, evaluation, and/or consultation process will be part of the discussion with students prior to bringing the initiative to the Board of Regents for approval.
5. The Chancellor of the UW System institution, in consultation with the President of the UW System, will make the final determination whether an institution-wide differential tuition initiative is submitted to the Board of Regents for approval.
6. Student involvement is not required for institution-wide differential tuition approved by the Board of Regents as part of a Board initiative or as part of the biennial budget process.
7. Spending decisions related to the funds generated by the institution-wide differential tuition are ultimately the responsibility of the Chancellor of the UW System institution as indicated in s. 36.09 (3) Wis. Stats.

Voting of 2004 Non-Routine
Proxy Proposals

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon recommendation of the President of the University of Wisconsin System, the non-routine shareholder proxy proposals for UW System Trust Funds, as presented in the attachment, be voted in the affirmative.

3/5/04

I.2.f.(1)

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS 2004 PROXY SEASON REPORT

EXECUTIVE SUMMARY

BACKGROUND

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

REQUESTED ACTION

Approval of recommended voting positions.

DISCUSSION

In addition to approval of voting in the affirmative on shareholder resolutions under previously approved "social issues," approval to vote in favor of the following new "issue" is being sought for the 2004 proxy season: "Sustainability Reporting." In the last several years, "sustainability", although somewhat of an amorphous concept, has become a significant subject of shareholder campaigns. The United Nations' World Commission on Environment and Development has defined sustainability as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." For 2004, a typical resolution asks firms to prepare a sustainability report at a reasonable cost.

The full report on non-routine shareholder proposals for the 2004 proxy season, including summaries of pre-approved issues, is attached.

RELATED REGENT POLICIES

Regent Policy 74-3(a): Investments and the Environment
Regent Policy 78-1: Investment of Trust Funds
Regent Policy 78-2: Interpretation of Policy 78-1 Relating to Divestiture
Regent Policy 92-4: Procedures and Guidelines for Voting Proxies
Regent Policy 97-1: Investment and Social Responsibility

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS

2004 PROXY SEASON REPORT

Background

This annually-provided report is intended to highlight significant "non-routine" proposals, from shareholders or management, which will be voted on by shareholders during the 2004 proxy season. Regent Policy 92-4, "Procedures and Guidelines for Voting Proxies," stipulates that significant non-routine issues are to be reviewed by the Business and Finance Committee so as to develop a voting position on them. Non-routine issues are defined as the following: acquisitions and mergers; amendments to corporate charter or by-laws which might affect shareholder rights; shareholder proposals opposed by management; and issues dealing with discrimination, the environment, or substantial social injury (issues addressed under Regent Policies 78-2, 74-3(a), and 97-1, respectively).

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

The 2004 Proxy Environment

More than 270 social issues have been filed so far for U.S. companies' annual meetings in 2004, compared with about 250 at this point last year, and investors are contemplating plans to file another two dozen or so at companies with late meetings. The dominant social issues for the 2004 season are the following: the environment, "sustainability," and equal employment-related proposals.

Concerns about the environment, as in the past several years, have once again generated the largest single category of social issue proposals, with more than 50 filed so far. Almost half of the current year's environmental proposals question companies about whether they have undertaken sufficient strategic planning and action to reduce their greenhouse gas emissions or to prepare for global climate change. The year has also seen an expansion of the campaign, begun in 2002, to persuade companies to engage in "sustainability reporting;" 30 such proposals have been filed so far. The New York City pension funds and several social investment management firms have once again taken the lead in filing proposals asking companies to revise their formal anti-bias policies to outlaw discrimination on the basis of employees' sexual orientation; approximately 30 proposals have been filed on this and other equal employment opportunity issues.

About 35 percent of the social policy proposals filed or contemplated for 2004 meetings have religious groups as their primary filers, while another 30 percent are being spearheaded by investment firms specializing in socially responsible investing ("SRI"). Public pension funds, the New York City funds in particular, account for another 20 percent of the proposals. Individuals, labor unions and special interest groups, such as the Sierra Club and People for the Ethical Treatment of Animals, round out the list of lead filers (many individual and institutional sponsors cooperate by co-filing each other's proposals).

Corporate governance-related proposals are still gaining momentum in the wake of the numerous corporate scandals over the past couple of years, with nearly 700 proposals filed so far in 2004. The majority of this year's corporate governance proposals involve auditor independence, executive compensation, severance arrangements (e.g., "golden parachutes") and takeover defense arrangements (e.g., "poison pills").

Specific New Issues for 2004

The table below summarizes the new shareholder proposal "issues" being recommended for affirmative voting in 2004. (Any company-specific proposals not falling under a pre-approved or newly recommended issue are given in the voting detail attachment.)

RECOMMENDED NEW ISSUES FOR 2004 PROXY SEASON

Issue	Resolution	Recommended Vote	Related Regent Policy
20	Sustainability Reporting	FOR	97-1 (social injury)

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

Issue #20 - Sustainability Reporting

In recent years, a growing number of organizations and interest groups have promoted the rather amorphous concept of "sustainability" as a goal for both countries and corporations. The United Nations' World Commission on Environment and Development has defined "sustainability" as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." In the last several years, sustainability has become a significant subject of shareholder campaigns. Last year's new campaign to get companies to sign on to the Global Reporting Initiative, which promotes sustainability, has been revised and beefed up for the 2004 season. In addition, church groups are continuing to ask companies to provide "sustainability reports," an effort now in its third year.

Last year, the New York City pension funds coordinated the new campaign to get companies to report on their societal and environmental impact using guidelines developed by the Global Reporting Initiative (GRI). Until the fall of 2003, all of the

resolutions (totaling 10) had been withdrawn after productive discussions with the targeted companies. This year, activist proponents are back again with resolutions on the GRI issue. The biggest filer is Calvert Asset Management, which has written a new resolution and proposed it to 15 companies. The resolution asks each company "to prepare a GRI-based sustainability report at a reasonable cost, which may exclude confidential information. This report shall be made available to shareholders and employees..."

GRI resolutions have been proposed to Lowes, Target, Albertson's, Dean Foods, Kinder Morgan, Safeway, Agco, Chesapeake Energy, Genuine Parts, Kennametal, Pioneer Natural Resources, Ryland Group, Kerr-McGee, Kroger and York International, among others.

Church shareholders are continuing to submit resolutions asking companies to prepare a "sustainability report." The proposal is being submitted at General Electric and Wal-Mart, among others, in 2004. It was also resubmitted to Johnson Controls but was judged moot by the SEC upon the company's preparation of the report. The typical resolution asserts that "the global economy presents corporations with the challenge of creating sustainable business relationships by participating in the sustainable development of the communities in which they operate." It suggests that the report include the following:

- "the company's operating definition of sustainability;
- "a review of current company policies and practices related to social, environmental and economic sustainability; and
- "a summary of long-term plans to integrate sustainability objectives throughout the company's operations."

Expansions of Previously Approved Issues

The following two issues for 2004, "adopt fair lending policies in emerging markets" and "report on distributions of stock options by race and sex," seem to be somewhat new twists on previously approved issues. We, therefore, recommend voting in the affirmative on these issues. The issues are separately discussed below.

A coalition of religious groups is proposing a new resolution to three banks suggesting that they develop a program similar to the U.S. Community Reinvestment Act for emerging market countries. The proposal is pending at Bank of America, Citigroup and FleetBoston Financial. The resolution asks the board to "develop a policy defining community development for lower income households and lower income geographic areas in emerging market countries and require its retail subsidiaries in each country to allocate for this purpose a percentage of total loans and leases outstanding in that country that is comparable to that provided by the corporation in the United States and reported annually under the Community Reinvestment Act." The thrust of this resolution fits under previously-approved issue #12, "report on international lending policies."

Responsible Wealth (a national organization concerned about the "deepening economic inequality" and "working for widespread prosperity") has developed a proposal that gets into somewhat of a new area: the distribution of stock options by race and gender. A

resolution to Coca-Cola, ExxonMobil, Pfizer and Verizon asks for a report documenting the distribution of options and discussing recent trends in distribution to women and employees of color. The thrust of these resolutions seems to fit under previously-approved issues #11 and #15, dealing with Equal Employment Opportunity reporting

Issues Previously Approved

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

PREVIOUSLY APPROVED ISSUES

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

Issue #1 - Report on/implement pharmaceutical policy/pricing

A major new initiative for the 2002 proxy season were proposals to drug companies on the affordability of AIDS, tuberculosis and malaria drugs in poor countries. The resolutions ask the companies to "develop and implement a policy to provide pharmaceuticals for the prevention and treatment" of the three diseases "in ways that the majority of infected persons in poor nations can afford." As discussed under the new issue of reporting on the health pandemic in Africa, individual shareholder proposals should be reviewed here to determine what exactly will be expected of the company. Although proposals asking for reporting on the investigation, analysis and development of policies or programs to provide "affordable" drugs in Africa and other underdeveloped, pandemic-stricken areas should likely be universally supported, proposals requiring implementation of such policies or programs should be individually reviewed.

Issue #2 - Report on/label genetically modified organisms (GMOs)

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

Issue #3 - Approval for future golden parachutes

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

Issue #4 - Redeem or vote on poison pill

Under a typical plan, shareholders are issued rights to buy stock at a significant discount from the market price. The rights are exercisable under certain circumstances, such as when a hostile third party buys a certain percentage of the company's stock. If triggered, the pill would dilute the value and voting power of the hostile party's holdings to such an extent that the takeover attempt presumably would never be made. Pills are not intended to be triggered, but rather serve as a tool to deter any hostile takeover and force would-be acquirers to deal with the board of directors and potentially increase their purchase bid. Boards are not required to get shareholder approval to adopt poison pills, and they rarely

do so. Various academic and institutional studies have not convincingly shown that poison pills generally work to the benefit of or detriment of existing shareholders from a purely economic standpoint. The adoption of poison pills can more unambiguously serve to entrench existing boards and management. Convincingly, critics say the overriding issue is the right of shareholder/owners to decide for themselves what protections they want.

Issue #5 - Report on/implement recycling development programs

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

Issue #6 - No consulting by auditors

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

Issue #7 – Endorse core ILO principles

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

Issue #8 - Predatory lending prevention

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

Issue #9 - Report on executive compensation

Institutional investors have expressed interest in ensuring that executive pay levels are linked to corporate performance. In fact, increasing pressure since the late 1980s to tie

executive compensation more directly to a company's success is contributing to the surge in executive pay. CEO compensation is now steeped with stocks and options, which have become popular vehicles to more closely align management's interests with shareholders' interests. Shareholder groups are asking boards of directors to study and report on executive compensation, and to consider ways to link compensation to corporate financial, environmental and social performance.

Issue #10 - Report on global warming

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

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

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

Issue #12 - Report on international lending policies
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The effect of international bank lending in developing nations has become an increasing concern for shareholders. Proponents concerned about poverty and debt in developing countries are submitting resolutions relating to commercial bank operations and services. The concern is that people in developing countries have not benefited from the recent increased capital flows to emerging markets. Proposals often ask for the development of a policy toward debt cancellation and provisions for new lending to heavily indebted poor countries or ask companies to develop policies which promote financial stabilization in emerging market economies.

Issue #13 - Adopt global labor standards
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Concern about conditions in third world factories that supply U.S. corporations has led to a proliferation of shareholder resolutions from a variety of proponents throughout the 1990s. Proxy proposals will ask companies to take measures to ensure their global operations, or those of their suppliers, meet minimum labor and environmental standards. Companies that adopt favorable global labor policies will be less susceptible to negative impacts.

Issue #14 - Endorse CERES principles

The principles affirm that corporations have a "responsibility to the environment" and that they "must conduct all aspects of their business as responsible stewards of the

environment." There are ten principle statements that address environmental protection and management commitment to the environment. A typical resolution on the environment and CERES principles asks that the company endorse the CERES principles.

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

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

Issue #17 - Implement MacBride principles

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

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

Issue #19 - Report on health pandemic in Africa

The shareholder resolutions ask companies with substantial leverage in the labor markets of sub-Saharan Africa to report on the effect of deadly diseases in this area. Companies are being asked to (1) report on the effect of deadly diseases (e.g., HIV/AIDS, tuberculosis, and malaria) on the company's operations, and (2) to report on company efforts to provide prevention (including education) and adequate medical treatment and healthcare coverage. All proposals requesting companies operating in the affected areas to report on the impact of the pandemic on their operations and what measures they are taking to aid prevention and provide treatment, are to be voted affirmatively. Proposals involving the affordability of pharmaceuticals, in Africa or elsewhere, will be individually reviewed to determine what specifically the company is being asked to do.

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2004 Proxy Season Voting List: Preapproved Issue Proposals

Security Description	Mtg Date	Proposal	Policy	Vote
<i>* Note: A "CG" designation represents a non-routine Corporate Governance proposal.</i>				
3M	5/13	Redeem or vote on poison pill	CG*	Affirmative
ALBERTSON'S	6/13	Vote on future golden parachutes	CG	Affirmative
ALTRIA	4/29	Redeem or vote on poison pill	CG	Affirmative
ALTRIA	4/29	Report on cigarette filter health effects	97-1	Affirmative
AMERICAN ELECTRIC POWER	4/27	Limit consulting by auditors	CG	Affirmative
AMERICAN ELECTRIC POWER	4/27	Vote on future golden parachutes	CG	Affirmative
AMERICAN ELECTRIC POWER	4/27	Report on global climate change	74-3	Affirmative
AMERICAN INTL GROUP	5/16	Report on global climate change	74-3	Affirmative
AMERICAN INTL GROUP	5/16	Report on AIDS impact on company	97-1	Affirmative
AMERICAN STANDARD	5/17	Adopt sexual orientation non-discrimination policy	78-1	Affirmative
AVON PRODUCTS	5/6	Report on parabens in products	74-3	Affirmative
AVON PRODUCTS	5/6	Report on phthalates	74-3	Affirmative
BALL	4/28	Limit consulting by auditors	CG	Affirmative
BANK OF AMERICA CORP	5/26	Limit consulting by auditors	CG	Affirmative
BANK OF AMERICA CORP	5/26	Redeem or vote on poison pill	CG	Affirmative
BANK OF AMERICA CORP	5/26	Review social impact of merger	97-1	Affirmative
BANK OF AMERICA CORP	5/26	Adopt fair lending policy in emerging markets	78-1/97-1	Affirmative
BOEING	5/3	Redeem or vote on poison pill	CG	Affirmative
BOEING	5/3	Vote on future golden parachutes	CG	Affirmative
BOEING	5/3	Adopt comprehensive human rights policy	97-1	Affirmative
BRISTOL-MEYERS SQUIBB	5/6	Redeem or vote on poison pill	CG	Affirmative
BRISTOL-MEYERS SQUIBB	5/6	Respond to AIDS pandemic in Africa	97-1	Affirmative
BRISTOL-MEYERS SQUIBB	5/6	Adopt drug price restraint policy	97-1	Affirmative
BURLINGTON NORTHERN CO	4/21	Redeem or vote on poison pill	CG	Affirmative
BURLINGTON RESOURCES	4/21	Report policy on indigenous peoples	78-1/97-1	Affirmative
CAPITAL ONE FINANCIAL	4/29	Limit consulting by auditors	CG	Affirmative
CHEVRON TEXACO CORP	4/28	Report on land development policy	74-3	Affirmative
CHEVRON TEXACO CORP	4/28	Redeem or vote on poison pill	CG	Affirmative
CHEVRON TEXACO CORP	4/28	Report AIDS pandemic impact	97-1	Affirmative
CHEVRON TEXACO CORP	4/28	Report on toxic waste cleanup	74-3	Affirmative
CITIGROUP	4/20	Redeem or vote on poison pill	CG	Affirmative
CITIGROUP	4/20	Adopt fair lending policy in emerging markets	78-1/97-1	Affirmative
COCA COLA ENTERPRISES	4/21	Adopt Code of Conduct for China Operations	97-1	Affirmative
COCA COLA ENTERPRISES	4/21	Report AIDS pandemic impact	97-1	Affirmative
COCA COLA ENTERPRISES	4/21	Report on stock options by race/sex	78-1/97-1	Affirmative
COMCAST	5/26	Vote on future golden parachutes	CG	Affirmative
CONOCO PHILIPS	5/6	Report on plans to drill in National Artic Refuge	74-3	Affirmative
COSTCO WHOLESALE	1/29	Implement ILO Global Labor Standards	97-1	Affirmative
COSTCO WHOLESALE	1/29	Report on ethics policy	97-1	Affirmative
COSTCO WHOLESALE	1/29	Report on land development policy	74-3	Affirmative
CVS	5/12	Report on Equal Employment Opportunity	78-1	Affirmative
DISNEY	3/3	Review China labor standards	97-1	Affirmative
DISNEY	3/3	Report on amusement park safety	97-1	Affirmative
DISNEY	3/3	Adopt Code of Conduct for China Operations	97-1	Affirmative
ENTERGY	5/14	Vote on future golden parachutes	CG	Affirmative
ENTERGY	5/14	Redeem or vote on poison pill	CG	Affirmative
EXXON MOBIL CORP	5/28	Report on greenhouse gas emissions	74-3	Affirmative
EXXON MOBIL CORP	5/28	Implement ILO Global Labor Standards	97-1	Affirmative
EXXON MOBIL CORP	5/28	Redeem or vote on poison pill	CG	Affirmative
EXXON MOBIL CORP	5/28	Report on stock options by race/sex	78-1/97-1	Affirmative
EXXON MOBIL CORP	5/28	Review human rights in Guinea	78-1/97-1	Affirmative
EXXON MOBIL CORP	5/28	Urge MacBride Principles on franchisees	78-1	Affirmative
EXXON MOBIL CORP	5/28	Report on global climate change	74-3	Affirmative
EXXON MOBIL CORP	5/28	Report on AIDS pandemic impact	97-1	Affirmative
FIRST DATA	5/16	Limit consulting by auditors	CG	Affirmative
FIRST ENERGY	5/18	Vote on future golden parachutes	CG	Affirmative
FIRST ENERGY	5/18	Redeem or vote on poison pill	CG	Affirmative

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2004 Proxy Season Voting List: Preapproved Issue Proposals

FLEET BOSTON FINANCIAL	4/1	Disclose executive compensation	CG	Affirmative
FLEET BOSTON FINANCIAL	4/1	Adopt fair lending policy in emerging markets	78-1/97-1	Affirmative
FLEET BOSTON FINANCIAL	4/1	Review social impact of merger	97-1	Affirmative
FORTUNE BRANDS INC	4/27	Redeem or vote on poison pill	CG	Affirmative
GENERAL ELEC CO	4/23	Limit consulting by auditors	CG	Affirmative
GENERAL ELEC CO	4/23	Redeem or vote on poison pill	CG	Affirmative
GENERAL ELEC CO	4/23	Report on costs of PCB cleanup delay	74-3	Affirmative
GENERAL ELEC CO	4/23	Report on waste storage at nuclear plant	74-3	Affirmative
GENERAL ELEC CO	4/23	Review executive compensation	CG	Affirmative
GENERAL MOTORS CORP	6/2	Vote on future golden parachutes	CG	Affirmative
GENERAL MOTORS CORP	6/2	Report on global climate change	74-3	Affirmative
GENERAL MOTORS CORP	6/2	Redeem or vote on poison pill	CG	Affirmative
GENERAL MOTORS CORP	6/2	Report on greenhouse gas emissions	74-3	Affirmative
HASBRO	5/1	Implement ILO Global Labor Standards	97-1	Affirmative
HEWLETT PACKARD CO	3/17	Redeem or vote on poison pill	CG	Affirmative
HOME DEPOT INC	5/30	Vote on future golden parachutes	CG	Affirmative
HOME DEPOT INC	5/30	Implement ILO Global Labor Standards	97-1	Affirmative
HOME DEPOT INC	5/30	Redeem or vote on poison pill	CG	Affirmative
INTEL CORP	5/19	Vote on future golden parachutes	CG	Affirmative
INTEL CORP	5/19	Report on water use	74-3	Affirmative
IBM	4/27	Adopt Code of Conduct for China Operations	97-1	Affirmative
IBM	4/27	Redeem or vote on poison pill	CG	Affirmative
JP MORGAN CHASE	5/20	Review social criteria in financial ventures	97-1	Affirmative
JP MORGAN CHASE	5/20	Limit consulting by auditors	CG	Affirmative
JP MORGAN CHASE	5/20	Review executive compensation	CG	Affirmative
JOHNSON & JOHNSON	4/22	Report AIDS pandemic impact	97-1	Affirmative
JOHNSON & JOHNSON	4/22	Report on drug price restraint efforts	97-1	Affirmative
JONES APPARREL	5/1	Implement ILO Global Labor Standards	97-1	Affirmative
KIMBERLY CLARK CORP	4/29	Redeem or vote on poison pill	CG	Affirmative
KOHL'S	4/1	Rotate auditors	CG	Affirmative
LEAR	5/1	Redeem or vote on poison pill	CG	Affirmative
LEAR	5/1	Adopt sexual orientation non-discrimination policy	78-1	Affirmative
LOUISIANA PACIFIC	5/3	Report on greenhouse gas emissions	74-3	Affirmative
LOWES CO	5/1	Implement ILO Global Labor Standards	97-1	Affirmative
LOWES CO	5/1	Redeem or vote on poison pill	CG	Affirmative
MASCO	5/11	Adopt sexual orientation non-discrimination policy	78-1	Affirmative
MCGRAW HILL	4/28	Redeem or vote on poison pill	CG	Affirmative
MERCK & CO	4/27	Develop ethical criteria for patent extension	97-1	Affirmative
MERCK & CO	4/27	Report on ethics policy	97-1	Affirmative
MERCK & CO	4/27	Report AIDS pandemic impact	97-1	Affirmative
MOODYS	4/27	Redeem or vote on poison pill	CG	Affirmative
MORGAN STANLEY	4/20	Vote on future golden parachutes	CG	Affirmative
NCR	4/28	Limit consulting by auditors	CG	Affirmative
NEXTEL COMMUNICATIONS	5/1	Limit consulting by auditors	CG	Affirmative
NORTHROP GRUMMAN CORP	5/18	Limit consulting by auditors	CG	Affirmative
OCCIDENTAL PETROLEUM	4/30	Redeem or vote on poison pill	CG	Affirmative
OCCIDENTAL PETROLEUM	4/25	Adopt comprehensive human rights policy	97-1	Affirmative
PEPSICO INC	5/1	Review AIDS pandemic impact	97-1	Affirmative
PFIZER INC	4/22	Report on drug price restraint efforts	97-1	Affirmative
PFIZER INC	4/22	Review AIDS pandemic impact	97-1	Affirmative
PFIZER INC	4/22	Redeem or vote on poison pill	CG	Affirmative
PFIZER INC	4/22	Report on stock options by race/sex	78-1/97-1	Affirmative
PITNEY BOWES INC	5/10	Redeem or vote on poison pill	CG	Affirmative
PRAXAIR	4/27	Redeem or vote on poison pill	CG	Affirmative
SBC COMMUNICATIONS INC	4/30	Redeem or vote on poison pill	CG	Affirmative
SEARS ROEBUCK	5/13	Redeem or vote on poison pill	CG	Affirmative
SEMPRA ENERGY	5/4	Redeem or vote on poison pill	CG	Affirmative
SEMPRA ENERGY	5/4	Limit consulting by auditors	CG	Affirmative
SMITH INTERNATIONAL	4/20	Report on board diversity	CG	Affirmative

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2004 Proxy Season Voting List: Preapproved Issue Proposals

TELETECH HOLDINGS	5/20	Implement MacBride Principles	78-1	Affirmative
TEXAS INSTRUMENTS	4/15	Limit consulting by auditors	CG	Affirmative
TIME WARNER	5/1	Adopt Code of Conduct for China Operations	97-1	Affirmative
TIME WARNER	5/1	Review executive compensation	CG	Affirmative
TIME WARNER	5/1	Limit consulting by auditors	CG	Affirmative
TIME WARNER	5/1	Report on board agenda and voting record	CG	Affirmative
TJX	6/1	Implement ILO Global Labor Standards	97-1	Affirmative
TJX	6/3	Report on vendor labor standards	97-1	Affirmative
TYCO INTERNATIONAL	5/6	Review toxic emissions	74-3	Affirmative
UNITED RENTALS	5/1	Vote on future golden parachutes	CG	Affirmative
UNITED TECHNOLOGIES CORP	5/1	Disclose executive compensation	CG	Affirmative
UNITED TECHNOLOGIES CORP	5/1	Vote on future golden parachutes	CG	Affirmative
WACHOVIA	4/20	Limit consulting by auditors	CG	Affirmative
WAL MART STORES INC	6/1	Equal Employment Opportunity reporting	78-1	Affirmative
WASHINGTON MUTUAL	4/20	Limit consulting by auditors	CG	Affirmative
WINN DIXIE STORES	10/1	Redeem or vote on poison pill	CG	Affirmative
WYETH	4/22	Redeem or vote on poison pill	CG	Affirmative
WYETH	4/22	Report on drug price restraint efforts	97-1	Affirmative
ZIMMER HOLDINGS	5/1	Redeem or vote on poison pill	CG	Affirmative

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2004 Proxy Season Voting List: New Issue Proposals

Security Description	Mtg Date	Proposal	Policy	Vote
AGCO	4/1	Report using GRI guidelines	74-3/97-1	Affirmative
ALBERTSON'S	6/13	Report using GRI guidelines	74-3/97-1	Affirmative
CHESAPEAKE ENERGY	6/1	Report using GRI guidelines	74-3/97-1	Affirmative
GENERAL ELEC CO	4/23	Issue sustainability report	74-3/97-1	Affirmative
JOHNSON CONTROLS	1/28	Issue sustainability report	74-3/97-1	Affirmative
KERR MCGEE	5/11	Report using GRI guidelines	74-3/97-1	Affirmative
LOWES CO	5/1	Report using GRI guidelines	74-3/97-1	Affirmative
MASCO	5/11	Report using GRI guidelines	74-3/97-1	Affirmative
WAL MART STORES INC	6/1	Issue sustainability report	74-3/97-1	Affirmative

UW SYSTEM TRUST FUNDS ANNUAL ENDOWMENT PEER COMPARISON REPORT

EXECUTIVE SUMMARY

BACKGROUND

Each year, NACUBO conducts a detailed survey of college and university endowments regarding such things as their investment and spending policies and practices, investment performance and fees, staffing, etc. The survey provides overall averages, as well as statistics for endowments by different size categories. This data is supplemented by results from a very limited Big Ten survey and other peer information, where available.

REQUESTED ACTION

This item is for information only.

DISCUSSION

UW System Trust Funds' true endowment (Long Term Fund only) was valued at \$237 million as of June 30, 2003. Although these funds represent only a portion of UW institutions' endowment assets, Trust Funds alone still ranked 163rd in size among the 717 reporting institutions.

While investment performance has lagged average peer performance over more recent timeframes, over longer periods, performance has been comparable. More recent underperformance is likely attributable to a significantly lower allocation to alternative asset classes to date. Regarding investment-related fees and staffing, UW Trust Funds is very much in line with peer averages. Finally, while UW Trust Funds' spending rate policy is typical, the percentage spending rate (4.5 percent) is now below the peer average (5.4 percent).

The attached report provides more details on key data from the fiscal year 2003 surveys.

RELATED REGENT POLICIES

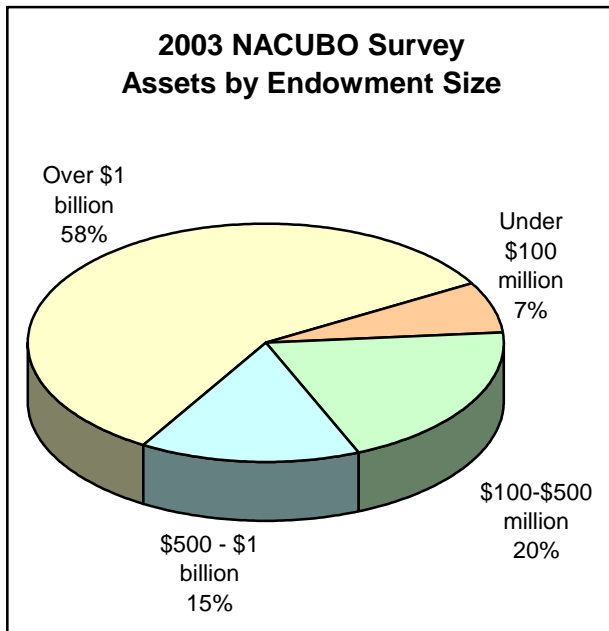
None.

UW SYSTEM TRUST FUNDS

Annual Endowment Peer Comparison Report

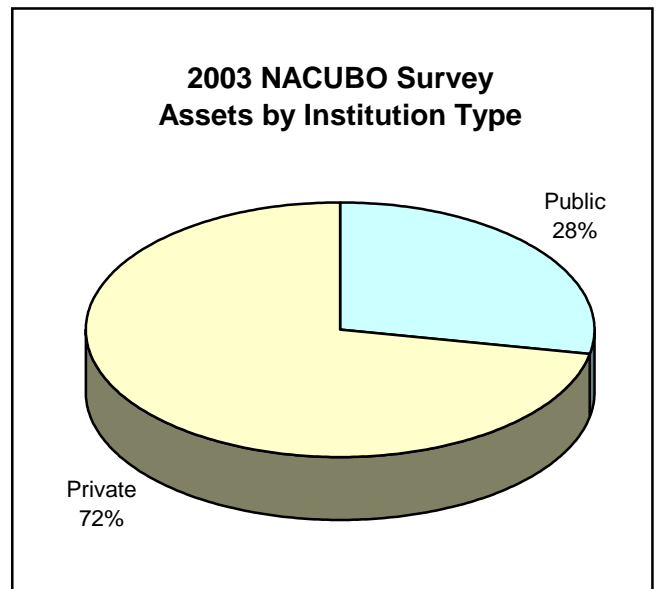
Fiscal Year Ended June 30, 2003

SURVEY SUMMARY STATISTICS



- 717 institutions participated in the 2003 NACUBO survey. Baccalaureate colleges made up the largest category of responding institutions with 231 reporting. The second largest category was doctoral/research institutions, with 220 institutions reporting.
- Doctoral/research institutions control nearly 73% of aggregate endowment assets, with baccalaureate institutions a distant second at 14%.
- Endowment assets remain highly concentrated. 39 schools (5% of the total) have assets in excess of \$1 billion, yet this group represents 58% of the total assets. 87 schools (12% of the total) have assets in excess of \$500 million, yet this group represents 73% of the aggregate assets.

- The NACUBO study includes 487 private and 230 public institutions.
- Slightly more than half of the public institutions are research universities, and they hold 90% of the public sector assets.
- The largest public institution endowment is the University of Texas System's (\$ 8.8 billion) and the largest private institution endowment is Harvard's (\$18.8 billion).
- The peer data for the Big Ten in this report includes all eleven institutions with an average endowment pool of \$1.1 billion.
- UW System Trust Funds' true endowment (Long Term Fund only) was valued at \$237 million as of June 30, 2003. Although these funds represent only a portion of UW institutions' endowment assets, Trust Funds alone still ranked 163rd in size among the 717 reporting institutions. The total endowment assets (true and quasi-endowments) for UW institutions (Trust Funds and external foundations) approximated \$1.5 billion. Of this total, UW-Madison accounted for \$1.3 billion (UW Foundation, \$1.0 billion; Trust Funds, \$284 million).

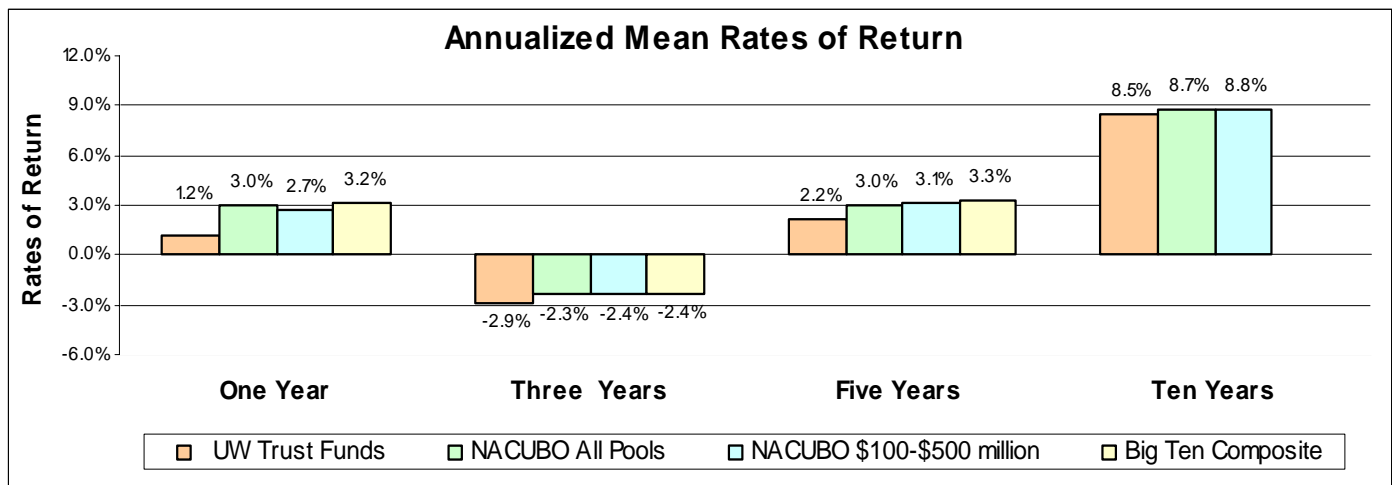


BROAD ASSET ALLOCATION (As of June 30, 2003)

Asset Class	UW Current	UW 2004 target	NACUBO All Pools	NACUBO \$100-\$500M	Big Ten Average
Equities	72.3%	68.0%	57.1%	56.5%	59.9%
Fixed Income	27.2%	18.5%	25.9%	23.5%	18.9%
Alternatives	0.5%	13.5%	11.4%	15.5%	18.8%
Private Capital	0.5%	3.5%	2.1%	3.5%	6.5%
Hedge Funds	0.0%	10.0%	6.1%	8.3%	7.7%
Real Estate	0.0%	0.0%	2.8%	2.9%	3.4%
Natural Resources	0.0%	0.0%	0.4%	0.8%	1.2%
Cash	0.0%	0.0%	4.0%	2.7%	1.7%
Other	0.0%	0.0%	1.6%	1.8%	0.7%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

- The primary difference between the UW System Trust Funds' allocation and that of the benchmarked peers is the underweighting to Alternatives.
- The Alternatives Private Capital category consists primarily of venture capital and private equity.
- The Alternatives Hedge Fund category consists primarily of unregulated private investment partnerships investing in mostly marketable securities, but employing strategies (long/short, convertible arbitrage, leverage, etc.) designed to provide for more absolute returns with low correlation to the markets.
- The UW System Board of Regents approved a new target allocation in December 2002, which includes a 10% allocation to Private Capital and 10% to Hedge Funds. The 2004 target shown above is an interim target.

INVESTMENT PERFORMANCE (Periods Ended June 30, 2003)

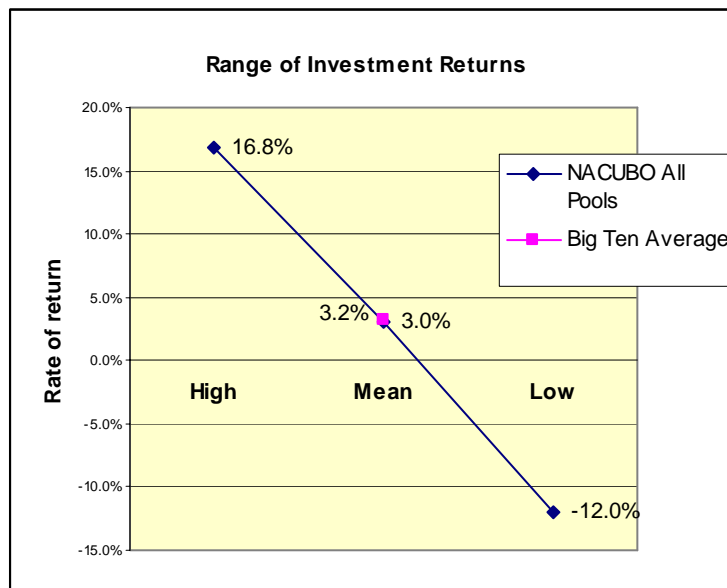


- UW System Trust Funds finished behind its peers for Fiscal Year 2003. Over the most recent ten-year period, Trust Funds' performance was in line with the NACUBO and Big 10 averages.
- Most investment performance differences are likely due primarily to asset allocation differences, particularly over the shorter timeframes shown.

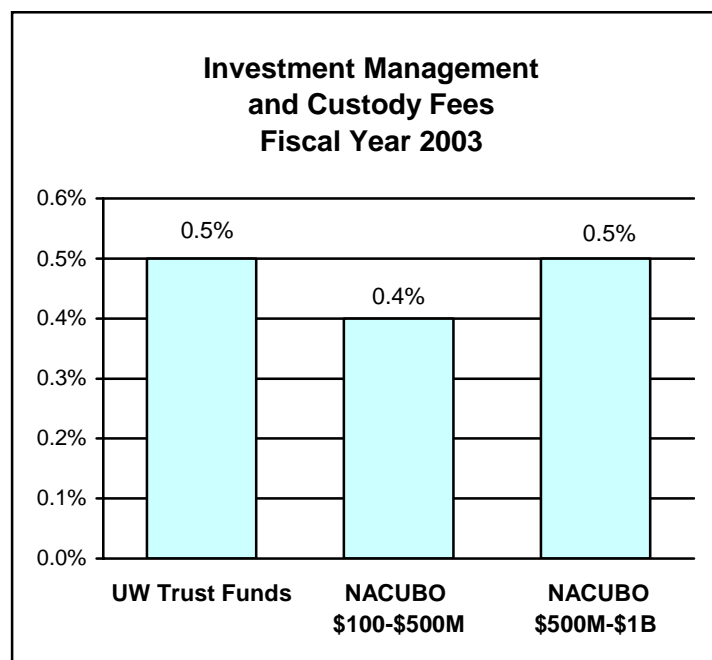
RANGE OF INVESTMENT RETURNS

- The UW System Trust Funds' nominal rate of return in Fiscal 2003 was 1.2%.
- The overall NACUBO average return was 3.0%. The mean return for the NACUBO \$100 to \$500 million category was 2.7%.

	Trust Funds	NACUBO All Pools	Big Ten
High	N/A	16.8%	N/A
Median	1.2%	3.0%	3.2%
Low	N/A	-12.1%	N/A



ENDOWMENT INVESTMENT-RELATED FEES



- Trust Funds' investment management and custody fees for Fiscal Year 2003 totaled \$1,363,388 on an average portfolio value of \$276,318,126.
- Trust Funds' investment management and custody fees for Fiscal Year 2003, at 0.49% of assets, were slightly above the comparable-size peer group average but in line with overall group averages.
- As another point of comparison, the UW Foundation, with assets of approximately \$1.0 billion, reported investment management fees of 0.45% of assets for the year ending December 31, 2002.

INVESTMENT MANAGEMENT PRACTICES

- Use of Internal Management

Total Assets	Average % Internally Managed
NACUBO > \$1 billion	21%
NACUBO \$100-\$500 million	5%
NACUBO All Pools	13%
UW Trust Funds *	0%

* This pertains only to the Long Term Fund (true endowment assets). Roughly 15% of the Intermediate Term Fund is managed "internally" by graduate students through the ASAP program.

- Use of Passive Management

- Nearly half of the institutions do not report data on use of indexing (or passive management).
- Roughly 18% of responding institutions keep between 10% and 25% of their assets passively invested or indexed, while approximately 10% invest more than half of their assets passively.
- The UW Trust Funds does not currently use any passive management.

SPENDING RATE POLICIES

- Spending Rates

NACUBO All Pools' Average	5.4%
UW Trust Funds *	4.5%

* Trust Funds' rate was changed from 5.0% to 4.5% effective June 30, 2003.

- Once again, there is very little variability in spending rates. The highest average annual spending rate (5.7%) was reported by institutions with endowments less than \$25 million, and the lowest spending rate (5.2%) was reported by institutions with endowment assets between \$50 and \$100 million.
- How the Rate is Applied
 - Nearly all of the reporting endowments use an annual spending rate that represents a pre-specified percentage of the moving average of their endowment market values.
 - Trust Funds applies the annual spending rate to a 3-year moving average of market value.

INVESTMENT MANAGEMENT COMMITTEE AND STAFFING

- Committee & Staffing Levels

Total Assets	Average Number of Committee Members	Average Investment Staffing	Investment Staff Range
NACUBO > \$1 billion	11	5	1-35
NACUBO \$100-\$500 mm	10	1	1-4
NACUBO All Pools	10	2	1-35
UW Trust Funds	4	2	N/A

- Use of External Consultants

Total Assets	Percent Using Consultants
NACUBO > \$1 billion	45%
NACUBO \$100-\$500 million	86%
NACUBO All Pools	75%

- UW Trust Funds does not currently use external consultants.

CONSIDERATION OF SOCIAL RESPONSIBILITY

- The 2003 NACUBO Endowment Study shows that most (83%) of reporting institutions do not consider social responsibility criteria as part of their investment management policies.
- Only 9% of public institutions consider social responsibility criteria, while 22% of private institutions do.
- UW System Trust Funds considers social responsibility criteria in voting shareholder proxy proposals and seeks student and public comment on issues of significant social concern.

Authorization to use Regents'
Discretionary Trust Funds
for Presidential Search Expenses

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon recommendation of the President of the Board of Regents of the University of Wisconsin System, to the extent additional resources are necessary, above and beyond available general program operations funding, to provide for payment of the expenses incurred in the search and screen process for selecting a new System President, then UW System Trust Fund monies available for use at the Board's discretion be used as supplemental funding.

**UW SYSTEM TRUST FUNDS
AUTHORIZATION TO USE REGENTS' DISCRETIONARY TRUST FUNDS
FOR PRESIDENTIAL SEARCH EXPENSES**

EXECUTIVE SUMMARY

BACKGROUND

The donor-gifted Trust Fund accounts include accounts which may be expended at the discretion of the UW System Board of Regents. For the last System Presidential search process in 1992, the Executive Committee of the Board authorized partial funding of related expenses from these Trust Fund monies.

REQUESTED ACTION

Approval of resolution I.2.f.(3), authorizing the use of such Trust Fund monies to the extent supplemental funding is needed.

DISCUSSION

The Board of Regents has engaged the services of Korn Ferry International to recruit a new president of the UW System. All reasonable and necessary expenses associated with the search are to be paid from the UW System's general operating budget. To the extent necessary, use of these discretionary trust funds may be needed in the search to obtain the best possible candidate for this critical position.

RELATED REGENT POLICIES

None.

Revised

I.3. Physical Planning and Funding Committee

Thursday, March 4, 2004
Friedrick Center, UW-Extension
1950 Willow Drive, Madison, WI

- 10:00 a.m. Regent Study Groups
- 12:30 p.m. Box Lunch
- 1:00 p.m. All Regents
- Virtually There: Transforming Higher Education Through Technology
- 2:00 p.m. Physical Planning and Funding Committee - Room 453
- b. Approval of Minutes of February 5, 2004 Meeting
 - c. Report of the Assistant Vice President
 - Building Commission Actions
 - Other
 - d. UW-Madison: 21st Century Data Wiring Program - Phase I (\$4.2 M)
[Resolution I.3.d.]
 - e. UW Colleges: Movable and Special Equipment (\$2.2 M)
[Resolution I.3.e.]
 - f. UW-Madison: Land Exchange at University Research Park
[Resolution I.3.f.]
 - g. UW-Madison: Science Hall Remodeling (\$339,200)
[Resolution I.3.g.]
 - h. UW-River Falls: Prucha Window Replacement (\$200,000)
[Resolution I.3.h.]
 - i. UW-Stevens Point: DeBot Center Remodeling (\$812,200)
[Resolution I.3.i.]
 - j. UW System: Delegation of Program Revenue Funded Maintenance Projects
[Resolution I.3.j.]

- k. UW System: 2005-07 Criteria for Ranking GPR Major Projects
[Resolution I.3.k.]
- x. Additional items which may be presented to the Committee with its approval

Authority to Construct a 21St Century
Telecommunications Phase I Project,
UW-Madison

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct a 21St Century Telecommunications Phase I project at a total project cost of \$4,233,000 (\$1,000,000 General Fund Supported Borrowing - 2003-05 UW System Classroom Renovation & Instructional Technology Improvements, \$2,486,000 General Fund Supported Borrowing - Facility Maintenance and Repair, and \$747,000 General Fund Supported Borrowing – Utilities).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2004

1. Institution: The University of Wisconsin–Madison
2. Request: Requests authority to construct a 21st Century Telecommunications Phase I project at a total project cost of \$4,233,000 (\$1,000,000 General Fund Supported Borrowing - 2003-05 UW System Classroom Renovation & Instructional Technology Improvements, \$2,486,000 General Fund Supported Borrowing - Facility Maintenance and Repair, and \$747,000 General Fund Supported Borrowing – Utilities).
3. Description and Scope of Project: This is the first phase of a two phase project to be funded over two biennia. The project will upgrade the campus data network cabling infrastructure including both the internal building copper and fiber optic cable, and the outside fiber optic cable between buildings.

Telecommunications cable will be installed in approximately 27 buildings across campus. Work will include the installation of additional multi-mode fiber strands from the building main telecom room on the lowest floor levels to telecom closets on upper floors, the installation of patch panels in each telecom room, the installation of Category 5e copper data cabling from each telecom closet to each workstation outlet, and the installation of Category 5e data jacks at each outlet.

Fiber optic cable will be installed in campus underground signal conduits between 14 nodal buildings and 77 radial buildings across campus. Fiber optic cable termination panels will be provided in all buildings, and 12 to 24 single mode fiber strands will be installed between nodal and radial buildings.

These two elements represent only the cabling infrastructure portion of a campus-wide program. The electronic equipment needed to increase the network capacity will be provided through a separate gift.

4. Justification of the Request: The 21st Century Network Program began with a generous gift from John Morgridge, Chairman of Cisco Systems, to improve the campus network electronic equipment. The campus Information Technology Committee, the Division of Information Technology (DoIT) and the Chancellor view the gift as a unique opportunity to improve the entire campus data network.

The existing data network usage is expanding rapidly. Email usage has gone from one million messages each day in 2002 to two million each day in 2003. Also, the number and size of files transferred over the network has increased along with the complexity of the data. Access through the UW-Madison Portal has more than doubled in one year as well. To meet

the increasing demands, DoIT must continue to expand the network data transfer rate by upgrading the infrastructure and the network equipment. Ten years ago students came to the university with typewriters. Today, students and faculty arrive with computers and the expectation that the university will provide reliable, fast, and effective network access.

Currently, eighty percent of the Madison Campus buildings have Category 3 data wiring that limits the data transfer rates in the buildings to 10 Mbps. The Madison Campus is also the only campus in the UW System which has not updated all data cable to Category 5 or 5e. Category 5 data cable can support data transfer rates of 100 Mbps. Data transfer rates between buildings is insufficient as well due to the physical limits of the multi-mode fiber optic cables installed. The current network cannot meet the increased demand for graphical and streaming data transfers that are required for applications such as distance learning, multimedia, and image processing. Installation of single mode fiber optic cable will allow an increase in data transfer rates within the fiber optic backbone from 600 Mbps to 1 or 10 Gbps. Campus classrooms utilize an old failing coaxial cable network for video broadcasting. This requirement can be supported as part of the new data network, eliminating the need to upgrade and support a separate network on campus.

The 21st Century Network Program will increase data transfer rates between campus buildings and within buildings by upgrading the cabling infrastructure and the network equipment. Additional single mode fiber optic cables are needed to complete the backbone installations from nodal buildings to each building on campus and to provide additional capacity where needed. Inside the buildings, new copper wiring and additional fiber optic cables are needed to support the upgrade. Additionally, DoIT will remodel existing telecommunication closets to protect the network investment. When this program is complete, the campus will have a data and video network that provides outstanding and consistent network capabilities to all areas.

5. Budget:

	%	Total	Classroom/IT	Facilities	Utilities
Construction:		\$3,400,000	\$ 803,000	\$1,997,000	\$600,000
A/E Fee:	8	272,100	64,300	159,800	48,000
DSF Fee:	4	152,400	36,000	89,500	27,000
Contingency:	12	<u>408,500</u>	<u>96,700</u>	<u>239,700</u>	<u>72,000</u>
Total:		\$4,233,000	\$1,000,000	\$2,486,000	\$747,000

6. Previous Action:

August 22, 2002
Resolution 8582

Recommend enumeration of a UW-System Classroom/Instructional Technology project, as part of the 2003-05 Capital Budget. The multi-campus project included \$1,000,000 GFSB for upgrade of in-building data cable on the UW-Madison campus. The State Building Commission subsequently recommended \$1,000,000 GFSB for Madison campus in-building data cabling.

Authority to Acquire Movable and Special
Equipment, UW Colleges

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW Colleges Chancellor and the President of the University of Wisconsin System, authority be granted to acquire Movable and Special Equipment for the UW Colleges, at an estimated total cost of \$1,765,700 (\$1,500,000 General Fund Supported Borrowing and \$265,700 of equipment project balances).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2004

1. **Institution:** The University of Wisconsin Colleges
2. **Request:** Requests authority to acquire Movable and Special Equipment for the UW Colleges, at an estimated total cost of \$1,765,700 (\$1,500,000 General Fund Supported Borrowing and \$265,700 of equipment project balances).
3. **Description and Scope of Project:** New and replacement equipment is required for facilities projects that are planned for implementation during the 2003-05 biennium at the following UW Colleges:

Campus Request)	Project	Locally Funded Construction	Equipment Cost
		Cost	(This
UW-Marathon County	Fieldhouse Renovation	\$ 821,000	\$ 142,200
UW-Sheboygan	New Science Building & Building Renovation	4,500,000	1,147,500
UW-Waukesha	Laboratory & Classroom Building Renovation	<u>3,330,000</u>	<u>476,000</u>
	TOTALS:	\$8,651,000	\$1,765,700

4. **Justification of the Request:** The UW Colleges fosters a rather unique partnership for its 13 two-year campuses that are located throughout the State of Wisconsin. Their facilities are constructed and maintained by local units of government involving a total of 14 counties and three cities. The Board of Regents leases the facilities and secures funding to equip them through the State Building Commission as provided by Wisconsin Statutes 13.48(2)(f). Staffing and operating costs are also paid by the State.

Collectively, the municipalities have constructed about 87 buildings that comprise almost 2.1 million square feet of space and have a current insured value in excess of \$222 million. Local funding support for the expansion and improvement of UW Colleges facilities remains strong at some locations, despite recent fiscal and economic downturns. This is evidenced through commitments by local municipalities to invest nearly \$8.7 million during 2003-05 for facility expansions and/or improvements at UW-Marathon County, UW-Sheboygan, and UW-Waukesha. Related equipment needs are estimated at approximately \$1.7 million. A brief description of each project follows:

UW-Marathon County: Fieldhouse Renovation

The fieldhouse will be renovated to address issues of energy efficiency, accessibility, gender equity, and acoustics, and will provide general physical improvements. Locker rooms and restrooms will be remodeled to comply with ADA requirements, acoustics will be improved

in the gymnasium, and a classroom will be created. The construction cost is estimated at \$821,000, with movable equipment needs approximated at \$142,200. Marathon County is currently developing a request for proposals, and occupancy is anticipated in late 2004 or early 2005.

UW-Sheboygan: New Science Building Addition and Classroom Building Renovation

This project addresses the most significant facility shortcomings on the Sheboygan campus. A new state-of-the-art science building addition is being constructed to replace the current science labs that are outdated, inadequate, and not ADA compliant. In order to provide needed additional classrooms, the project will renovate the old science laboratory spaces into general multi-media classrooms. Additionally, the existing physical plant building will be renovated to accommodate mechanical/infrastructure upgrades necessitated by this and future projects. This will also provide additional storage for maintenance vehicles, equipment, and hazardous materials. The construction cost is \$4,500,000, with movable equipment needs estimated at \$1,147,500. Occupancy is expected in May 2004.

UW-Waukesha: Laboratory and Classroom Building Renovation

This project will refurbish three biology laboratories, numerous general purpose classrooms, specialized classrooms for anthropology, and several faculty offices. The project will also refurbish the largest lecture hall on campus. New seating and a new video projection system will be installed along with new flooring and a new ceiling. The adjacent restrooms will be remodeled to comply with ADA requirements. The construction cost is estimated at \$3,330,000, with the highest-priority movable equipment needs approximated at \$476,000. Further equipment funding will be requested in 2005-07. Architectural design work is underway, with occupancy expected in 2005.

In March 2003, the State Building Commission recommended enumeration of \$1,500,000 as part of the 2003-05 Capital Budget to fund equipment for all the UW Colleges. That amount was far short of the \$4,350,000 requested. Recognizing the state's fiscal constraints and considering the fast pace with which projects can be accelerated or delayed, the UW Colleges deferred some of the expected funding need and reassessed priorities of other open projects. A request to the State Building Commission for the release of equipment funding will also seek reallocation of balances totaling \$265,700 from five previously funded UW Colleges projects to provide adequate equipment funding for the three requested projects.

5. Budget: Movable and Special Equipment for various projects identified above are estimated at a total cost of \$1,765,700.

6. Previous Action:

August 22, 2002 Resolution #8582	Recommended submittal of the UW System's 2003-05 Capital Budget request to the Department of Administration and the State Building Commission, including \$4,350,000 to provide Special and Movable Equipment for several facilities projects at the UW Colleges.
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Authority to Exchange Land and Modify an
Option, UW-Madison

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to: (1) exchange two university-owned sites of land totaling 12.4 acres located on Mineral Point Road adjacent to University Research Park (URP) at an average appraised value of \$3,800,000, for one twenty-acre parcel of land adjacent to University Research Park along Mineral Point Road at an average appraised value of \$4,355,000 owned by CUNA Mutual Investment Corporation (CUNA), and (2) modify the existing University Research Park, Inc. option to acquire University Research Park sites to include the twenty acres of Lot 2 of Certified Survey Map No. 4896 and eliminate the University Research Park payment obligations for the remaining parcels to be acquired in the park.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2004

1. Institution: The University of Wisconsin-Madison
2. Request: Requests authority to: (1) exchange two university-owned sites of land totaling 12.4 acres located on Mineral Point Road adjacent to University Research Park (URP) at an average appraised value of \$3,800,000, for one twenty-acre parcel of land adjacent to University Research Park along Mineral Point Road at an average appraised value of \$4,355,000 owned by CUNA Mutual Investment Corporation (CUNA), and (2) modify the existing University Research Park, Inc. option to acquire University Research Park sites to include the twenty acres of Lot 2 of Certified Survey Map No. 4896 and eliminate the University Research Park payment obligations for the remaining parcels to be acquired in the park.
3. Description and Scope of Project: The university will exchange 12.4 acres for twenty acres. The 12.4 acres of university land is comprised of two parcels, located at the corner of 5707 Mineral Point Road and 422 Rosa Road, which are part of the second addition to the research park; and a third parcel at 6101 Mineral Point Road. The twenty-acre CUNA parcel is a portion of the lands owned by CUNA and is in an ideal location for the research park. The university-owned land is across the road from CUNA and is ideally located for their expansion. The average appraised value of the university-owned property is \$3,800,000. The average appraised value of the CUNA land is \$4,355,000. CUNA has agreed to accept the values as equal for this transaction.

The Phase I environmental assessment reports no environmental issues involving the land that the university will receive. CUNA will conduct a Phase II assessment on the university-owned land and buildings as suggested by the Phase I assessment to determine the extent of asbestos and other noticeable issues prior to accepting the land.

The University Research Park and CUNA will jointly master plan the entire area and obtain zoning approvals from the city of Madison. Covenants on the properties will be modified to implement the jointly approved master plan. Road and utility infrastructure will be constructed to serve the mixed-use development of research park sites and new CUNA facilities. The URP and CUNA will each be responsible for a proportionate share of the infrastructure cost.

The university land and old farm buildings at the corner of Mineral Point and Rosa Roads are used by the School of Veterinary Medicine for large animal holding; pasture, and laboratories. The facilities are also used by the Soil & Plant Analysis Lab of the College of Agriculture which is moving to a new facility this year. The School of Veterinary

Medicine will consolidate and relocate activities to areas in and adjacent to the Charmany Instructional Facility on 8.5 acres at 5801 Mineral Point Road. The URP Development LLC, will construct temporary facilities including an addition to the hay storage structure, and will provide trailers to serve as laboratories and offices. Large animal pasturing will be temporarily provided on a four- to five-acre fenced portion of the land to be received from CUNA. UW-Madison plans to relocate the large animal pasture and Charmany facility so these parcels can be available for development by the URP and CUNA. City approval will be required to permit temporary animal pasturing and shelters.

Existing facilities at 6101 Mineral Point Road include the Wisconsin Veterinary Diagnostic Lab (WVDL) and the recently completed Mobile Tissue Digester. A new WVDL is being designed for construction on campus with occupancy scheduled for 2006. The plan for relocation of the tissue digester will be developed jointly by UW-Madison, the Wisconsin Department of Natural Resources, and Wisconsin Department of Agriculture, Trade, and Consumer Protection.

CUNA will demolish, at its expense, the existing agricultural-related facilities at Mineral Point and Rosa Roads and construct an office facility for their use. The three-acre parcel at 6101 Mineral Point Road will be integrated into CUNA's mixed-use development plans for the forty acres surrounding the parcel adjacent to University Research Park.

4. Justification of the Project: This land exchange permits University Research Park to meet the continuing and increasing facility needs of science and technology companies. The highly successful park has only three building sites remaining in the development of two hundred and twenty-five acres. The additional twenty acres will provide four building sites for science/technology company offices and laboratories. The additional acreage will allow the park to continue to meet demands until University Research Park II is ready for development.

University Research Park acquires lots when development occurs at a price established in 1984, and adjusted annually based on changes in the consumer price index. This land payment is used by UW-Madison to replace and upgrade agriculture-related facilities. University Research Park will acquire this additional twenty acres and the remaining approximately twenty-eight acres at no cost because they are constructing replacement facilities for the College of Agriculture estimated at no less than \$850,000, which is the amount University Research Park would pay for the land.

CUNA will consolidate Madison area offices across Mineral Point Road and CUNA's international headquarters on the land to be acquired in this exchange, and develop a mixed-use development compatible with, and supportive of, the University Research Park.

This land exchange revises and executes a series of rights that University Research Park has to acquire land sold by the university to CUNA and rights CUNA has to acquire land owned by the university and currently used by the College of Agriculture and Life Sciences and the School of Veterinary Medicine. These rights were provided in 1984, when fifty-two acres of university land was sold to CUNA.

This requested land exchange was negotiated by the Chancellor of the UW-Madison, who also chairs the University Research Park Board, and the President of CUNA. The exchange has been approved by the University Research Park Board.

5. Budget:

	Appraisal 1	Appraisal 2	Average
University Property	\$3,800,000	\$3,800,000	\$3,800,000
CUNA Property	\$4,360,000	\$4,350,000	\$4,355,000

6. Previous Action: The Board of Regents approved the sale of fifty-two acres (Lot 2 of CSM 4896) to CUNA in resolution 3375, September 6, 1985.

Authority to Construct a Science Hall
Remodeling Project, UW-Madison

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to: (1) construct a Science Hall Nelson Institute for Environmental Studies Remodeling Project at an estimated total project budget of \$339,200 Institutional non-GPR Funds, and (2) seek a waiver of s.16.855 under s.13.48(19) to allow delegation of design and construction to UW-Madison.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2004

1. Institution: The University of Wisconsin-Madison
2. Request: Request authority to: (1) construct a Science Hall Nelson Institute for Environmental Studies Remodeling Project at an estimated total project budget of \$339,200 Institutional non-GPR Funds, and (2) seek a waiver of s.16.855 under s.13.48(19) to allow delegation of design and construction to UW-Madison.
3. Description and Scope of Project: This project will renovate and remodel several rooms totaling approximately 3,600 ASF on the first floor and lower level of Science Hall occupied by the Nelson Institute to improve utilization of instructional and support spaces. In general, the first floor work will remove poor quality lab benches, casework, gas and water service, floor coverings, unused fume hoods, and light fixtures to permit the space to be converted into offices with new lighting, painted walls and ceilings, refurbished floors, electrical outlets, voice and data jacks, and window coverings, as appropriate. Two first floor class/seminar rooms will have walls and ceilings painted and new flooring installed to provide contemporary, flexible meeting space. The HVAC systems will be upgraded to meet current code, provide adequate supply, and air condition several first floor rooms.

One of the administrative/support rooms in the lower level will be renovated to provide basic instructional wet lab space with new flooring, base cabinets, electrical and water service, lab sink, and air exhaust. Another lower level room will be converted from office space to a dry lab with new flooring, base cabinets, electrical services, and voice/data jacks.

4. Justification of the Project: The Nelson Institute for Environmental Studies is housed mainly in Science Hall, with additional space at the Atmospheric, Oceanic and Space Sciences Building, the Enzyme Building, and 504 Walnut Street. The Nelson Institute's departmental/director's offices are located on the lower level of Science Hall which adversely affects the identity and efficiency of vital programmatic functions. The realignment of space will allow the Institute to better integrate many of the program's academic activities by consolidating graduate student offices, laboratories, and information technology facilities in contiguous space. The end product will improve utilization of existing space.

The renovation and remodeling of the Nelson Institute's first floor and lower level space will allow relocation of the main office and academic support spaces to the first floor of Science Hall and significantly improve classroom, seminar, and instructional lab spaces.

The proposed changes will result in more efficient use of limited space, through the consolidation of offices by function (administrative functions on the first floor and academic functions at the lower level).

The project will create much-needed seminar and flexible meeting space for the Nelson Institute, allowing for research and academic seminars, faculty meetings, and meetings of groups such as the external Board of Visitors. It will also locate the director's office close to seminar and flexible meeting space, providing positive synergy between the seminar and meeting functions, the director, and staff. Interdisciplinary collaborations will be fostered by locating faculty offices on the same floor.

Timing and coordination is critical in this project. Due to space constraints, the Institute must implement the remodeling work in four phases. The office space conversion on the first floor will be completed first to allow the relocation of administrative functions to that floor, followed by the improvement and relocation of the lab space to the lower level. Because of the shortage of instructional space in the Bascom Hill area, the two instructional rooms can only be remodeled during consecutive summers, one in 2004, and the second in 2005. In order to facilitate this schedule, the delegation of design and construction to UW-Madison staff is being requested.

5. Budget:

Budget	%	Cost
Construction		\$270,500
Design Fees	11.0%	29,750
DFD Management	1.0%	3,000
Project Contingency	13.3%	35,950
Estimated Total Project Cost		\$339,200

6. Previous Action: None.

Authority to Construct a Prucha Hall Window
Replacement Project, UW-River Falls

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-River Falls Chancellor and the President of the University of Wisconsin System, authority be granted to construct a Prucha Hall Window Replacement project, at estimated total project cost of \$200,000 of Program Revenue-Cash.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2004

1. Institution: The University of Wisconsin-River Falls
2. Request: Requests authority to construct a Prucha Hall Window Replacement project, at estimated total project cost of \$200,000 of Program Revenue-Cash.
3. Description and Scope of Project: This project will remove and replace all existing fixed and operable windows in Prucha Hall. Ten additional slide-by window units, ten stairwell window units, and six basement window units will be purchased as spares for maintenance purposes.
4. Justification of the Request: Prucha Hall, a 38,222 GSF three story structure with basement residence hall, is located on the west end of campus and provides co-educational living accommodations for 200 students. Prucha Hall has 116 slide-by resident room windows, four stairwell windows, and twelve basement windows that were installed when the building was constructed in 1960. The existing windows are aluminum framed slide-by units with combination storm/screen windows on the exterior. There are four panes of glass and one screen in each window masonry opening.

The window's nylon rollers are worn, causing the panes to slide directly on the metal guides. Panes are coming off their tracks, creating safety concerns for residents as well as energy leaks. Replacement parts for these windows are no longer available.

The primary reasons for requesting additional windows, is to provide the physical plant staff with spare parts for future replacements. Window manufacturers tend to discontinue offering replacement parts soon after production has ended on current model lines.

This project is part of an on-going maintenance program designed to extend the useful life of the nine residence halls on campus. Other residence halls maintenance projects include repair, replacement or upgrades of electrical, heating, ventilation, and plumbing systems; restroom renovations; window and roof replacements; masonry repairs; repair or replacement of locks, doors and hardware; and aesthetic improvements of floor, wall and ceiling finishes. Annual building condition assessment reports are evaluated to determine the most critical deferred maintenance problems and to identify associated projects that can be remedied over the course of a single summer.

Through the Residence Living Committee and shared governance process, students have been actively involved in discussing upcoming deferred maintenance projects and planning

for approximately \$600,000 of deferred maintenance projects each summer, all funded through cash reserves and built into the standard housing operating budget. The 2003-04 double occupancy room rate is \$2,248.

The scope of work is limited by two factors, work that can be completed during summer months and available cash reserves. Residence hall occupancy is currently at 97 percent. To ensure housing availability, it is not possible to take a residence hall off line to perform deferred maintenance work. It is anticipated that this project will be completed during the summer of 2005.

5. Budget:

Construction	\$168,000
A/E Design & Other Fees (8%)	13,500
DFD Management (4%)	6,500
Contingency (7%)	<u>12,000</u>
Estimated Total Project Cost:	\$200,000

6. Previous Action: None.

Authority to Seek a Waiver and Construct a
DeBot Center Kitchen and Dining Upgrade
Project
UW-Stevens Point

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-Stevens Point Interim Chancellor and the President of the University of Wisconsin System, authority be granted to: (1) seek a waiver of s.16.855 under s.13.48(19) to allow a single contract for design-build remodeling of the DeBot Residential Center Convenience Store at a cost not to exceed \$227,500 Program Revenue Cash and (2) construct a DeBot Center Kitchen and Dining Upgrade project at an estimated project cost of \$584,700 Program Revenue Cash.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2004

1. Institution: The University of Wisconsin–Stevens Point
2. Requests: Requests authority to: (1) seek a waiver of s.16.855 under s.13.48(19) to allow a single contract for design-build remodeling of the DeBot Residential Center Convenience Store at a cost not to exceed \$227,500 Program Revenue Cash and (2) construct a DeBot Center Kitchen and Dining Upgrade project at an estimated project cost of \$584,700 Program Revenue Cash.
3. Description and Scope of the Project: This project will be constructed in two phases. Phase I will remodel the lower level Convenience Store during the summer of 2004. Work will include installation of new walls and floors, along with ceiling and lighting upgrades to improve the image of the area. Reach-in freezer/coolers will be purchased separately from the contract. New storefront glass and anodized partition walls will make the store and eating area more spacious, accessible, and attractive. Several retail concepts will be added to the present offerings, including Fresh Grille, Freschetta Pizza, Mundo Subs, and Smoothies. The design-build work will be performed by ESS, a subsidiary of Compass Group, because of their experience constructing these types of projects throughout the State of Wisconsin and with other residential dining facilities. All design work will be reviewed and approved by DSF and UW System staff before construction begins.

The second phase will renovate three dining rooms and the kitchen during the summer of 2005. Three homogenous, look-a-like dining rooms will be individually themed with finishes, differing table configurations and heights, movable partitions, and activity centers such as TV's, sound systems, murals, etc. Functional needs for furnishings that respond and move well for summer camps and catered venues of various sizes will be addressed. Improved access will be provided to the public restrooms. The three serving areas will be converted into one Marche-style serving area with multiple serving "platforms" featuring cook-to-order and hands-on demonstration cooking. Some kitchen functions and production equipment will be consolidated to allow greater efficiencies in both physical and financial resources. A portion of the space will be reconfigured to allow the exhaust canopy to be accessible for a "fresh grille" concept. Some kitchen equipment will be eliminated and storage space relocated. Finishes will include a mix of highly durable materials such as ceramic tile, sheet flooring, and stainless steel and will be accented by techno lighting and breathguards. These renovations will be performed through the conventional design-bid process.

4. Justification of the Project: The DeBot Center is the primary residential dining facility for contract meal plans on the UW-Stevens Point campus. Dining revenue is primarily derived

from meal plan contracts with on-campus residential students and commissions paid on convenience store cash and point sales. The DeBot Center was last renovated in 1991. At that time, the building mechanical systems were improved, the upper level dining rooms and kitchen enhanced, and a convenience store added. The existing DeBot Center food service facilities are in need of a facelift to continue to provide an appropriate environment for a required meal plan service area. The Convenience Store is very popular but extremely cramped, serving almost 1,000 students over a six-hour period nearly every weeknight.

The DeBot Center also serves as the primary summer dining facility for summer camps and programs. The described upgrades have been divided into two phases because removing both the upper and lower level eating areas during one summer would cause unacceptable disruption to programs that provide additional campus revenues. It is critical that all work be completed at the DeBot Center in the summer of 2005. A major renovation project begins in the spring of 2006 in the University Center, which is the primary dining center for non-resident students. Meal-plan students will be directed to the DeBot Center from the University Center when construction of that project begins.

A sole-source design-build contract will allow renovation of the Convenience Store and Grill to proceed expeditiously this summer. Design and construction of the more involved and expensive upper level project will be completed the following summer through the normal Division of State Facilities (DSF) process for design, bid, and construction. DSF review fees for both phases of work have been included in the Phase II budget.

The Residence Hall Association and the University Centers Policy Board have endorsed the concept of the improvements and are on record as supporting the changes. These changes will have no direct impact on student meal plan rates.

5. Budget:

Phase I

Convenience Store Design-Build Contract	\$227,500
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Phase II

Upper Level Dining & Kitchen	
Construction	\$450,000
Contingency	50,000
A/E Fee (12%)	54,000
DSF Fee (For Both Phases)	29,000
Percent for Art	1,700
Sub-total	<hr/> \$584,700

Total Project Budget for both Phases	\$812,200
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6. Previous Action: None.

Delegation of Program Revenue Funded
Maintenance Projects, UW System

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted for the President of the UW System (or designee) to review and submit program revenue funded projects for maintenance, remodeling, and repair to the State Building Commission for construction authority.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2004

1. Institution: The University of Wisconsin System
2. Request: Requests delegation to the President of the UW System (or designee) to review and submit program revenue funded projects for maintenance, remodeling, and repair to the State Building Commission for construction authority.
3. Background and Justification: In October 1996, the Board of Regents authorized UW System Administration to undertake projects over \$100,000 that are funded by GPR All Agency Appropriations. This action enables System Administration to submit non-enumerated maintenance, repair, and remodeling projects to the State Building Commission for funding and construction approval without specific review and approval by the Board of Regents. Small projects costing less than \$100,000 are submitted by the Institutions directly to the Department of Administration. Major enumerated projects are advanced to the Board of Regents for design report and construction approval prior to submittal to the State Building Commission for funding and construction authority.

Currently, projects over \$100,000 are only submitted to the Board of Regents when funded from program revenues (cash or borrowing) or gifts. Approval is now being sought to submit these maintenance, repair, and remodeling type projects directly to the State Building Commission, unless the project imposes a new fee to students or if the project is funded by gift monies. These exceptions to the requested approval are recommended to alert the Board of Regents of projects that require a new student fee and to provide an opportunity for the Board to acknowledge generous contributions.

UW System Administration continues to work with the Division of State Facilities to develop guidelines that will result in greater flexibilities and economies that will benefit the state. Approval of this request will streamline the approval process and, hopefully, demonstrate the leadership role of the Board of Regents in improving processes where feasible.

4. Previous Action:

October 11, 1996 Resolution 7308	Delegated various responsibilities to UW System Administration, including authority to undertake projects funded by the GPR All Agency appropriations.
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Approval of GPR Ranking Criteria for the
2005-07 Capital Budget, UW System

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, emphasis of facilities maintenance, academic and strategic significance, and operating efficiencies be adopted as the basis for prioritizing and categorizing GPR major projects for inclusion in the System's 2005-07 Capital Budget, as supported through the use of the ranking criteria attached as Appendix A;

That, other factors may be considered by System Administration and the Board of Regents in ranking GPR major projects to address unique circumstances such as accreditation requirements, historic value of facilities, and outside funding opportunities;

That, all GPR projects requiring enumeration must be supported by a completed Campus Space Use Plan;

That, at all stages of the priority setting process, consideration be given to the institutional priority established by each Chancellor; and

That, additional guidelines, which may be established by the Department of Administration, will be addressed in the context of the foregoing framework.

CRITERIA FOR RANKING 2005-07 GPR MAJOR PROJECTS

BACKGROUND

Each biennium, the Board of Regents establishes criteria to be used by System Administration staff in ranking proposed GPR major projects that would require specific enumeration in the upcoming Capital Budget. The criteria proposed for staff use in preparing the 2005-07 Capital Budget were initially established in 1999-2001 and updated to reflect current systemwide initiatives and priorities related to maintenance and quality of the learning environment, the new Wisconsin economy, collaborations, adult learners, and other goals of the Board of Regents. It is believed that, as in the past, use of these criteria will result in a priority list that addresses the greatest needs, highest academic priorities, and most cost-effective solutions to various facility problems.

REQUESTED ACTION

That the Board of Regents adopt Resolution I.3.k., authorizing the use of criteria as defined in Appendix A for the ranking of 2005-07 GPR major projects.

DISCUSSION

The proposed criteria for ranking major capital projects continue to emphasize making best use and extending the useful life of existing facilities. They also support goals of improving the quality of education, incorporating contemporary technology into the learning environment, and expanding collaborative efforts between and among various educational enterprises. Strong consideration is given to the academic significance of the program(s) served by each project, as well as any operating efficiencies to be realized. Consideration is also given to the institutional priority of each project established by the respective Chancellor. All GPR projects requiring enumeration must be supported by a completed Campus Space Use Plan.

Other factors may also be considered by System Administration and the Board of Regents in ranking GPR major projects to address unique circumstances such as accreditation requirements, historic value of facilities, and outside funding opportunities.

The proposed ranking criteria have been enhanced to address other issues. A new facility consideration is being recommended to recognize situations where there is a documented shortage of space. In addition, Systemwide Initiatives have been modified to provide an opportunity to incorporate goals of the Board of Regents in "Charting a New Course."

It is further recommended that the past practice of giving highest priority to projects supported by the Board of Regents for construction funding in the previous biennium, but not funded by the legislature, be discontinued. Given the magnitude of capital budget needs, each major project proposal will be ranked using the recommended criteria to determine its overall placement on a prioritized Systemwide list.

System Administration has not yet received Capital Budget instructions from the Department of Administration. It is expected that additional guidelines, which may be established by the Department of Administration, will be addressed in the context of the foregoing framework.

APPENDIX A

CRITERIA FOR RANKING 2005-07 GPR MAJOR PROJECTS

Possible Points

Total Possible Score = 220 Points

A. Facility Considerations

(Total Points Possible = 100)

Project Addresses the Following Issues:

- | | | |
|-------|---------------------------------|---------------|
| | 1. Maintenance | 0 - 30 points |
| | 2. Health, safety & environment | 0 - 10 points |
| | 3. Energy/sustainability | 0 - 5 points |
| | 4. Access for disabilities | 0 - 5 points |
| | 5. Poor functionality | 0 - 20 points |
| | 6. Underutilization | 0 - 10 points |
| (New) | 7. Shortage of space | 0 - 20 points |

B. Academic & Operating Budget Relationship

(Total Points Possible = 100)

- | | | |
|-------|---|---------------|
| | 1. Academic Significance: | 0 - 50 points |
| | Considerations can include, but are not limited to the following: | |
| | ▪ Strategic impact | |
| | ▪ Importance to mission | |
| | ▪ Direct student benefit | |
| | ▪ Addresses unmet program needs | |
| | ▪ Other | |
| | 2. Systemwide Initiatives: | |
| | Considerations can include, but are not limited to the following: | 0 - 30 points |
| | ▪ New Wisconsin Economy (brain gain) | |
| | ▪ Collaborative efforts with other institutions | |
| | ▪ Adult learners | |
| (New) | ▪ Addresses "Charting a New Course" goals | |
| | ▪ Other | |
| | 3. Operating Efficiencies: | 0 - 20 points |
| | Considerations can include, but are not limited to the following | |
| | ▪ Campus restructuring | |
| | ▪ Consolidation of functions/programs | |
| | ▪ Share resources (facilities/equip/etc) | |
| | ▪ Operating costs savings | |
| | ▪ Other | |

C. Long Range Planning and Campus Priority

(Total Points Possible = 20)

- | | | |
|--|--|--------------------------------|
| | 1. Identified in 2003-05] | 2 points |
| | 2. Identified in 2001-03] Prior Six-Year Major Project List | 3 points |
| | 3. Identified in 1999-2001] | 5 points |
| | 4. Campus Number One Priority | Yes = 5 points / No = 0 points |
| | 5. Timing of Project: | 0 - 5 points |

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

March 5, 2004
9:00 a.m.
1820 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin

II.

1. Calling of the roll
2. Approval of the minutes of the February 5th and 6th meetings
3. Report of the President of the Board
 - a. Higher Educational Aids Board report
 - b. Hospital Authority Board report
 - c. Additional items that the President of the Board may report or present to the Board
4. Report of the President of the System
 - a. 2005-07 Biennial Budget Initiatives: Financial Aid
 - b. Additional items that the President of the System may report or present to the Board.
5. Update on Charting a New Course for the UW System
6. Report of the Education Committee
7. Report of the Physical Planning and Funding Committee
8. Report of the Business and Finance Committee
9. Additional resolutions
 - a. 2005 meeting schedule
[Resolution II.9.a.]
10. Communications, petitions, memorials
11. Unfinished or additional business
12. Recess into closed session to consider personal histories of finalists and appointment of a UW-Milwaukee chancellor, as permitted by 19.85 (1)(c) and 19.85(1)(f), *Wis. Stats.*, to consider UW-Oshkosh honorary degree nominations, as permitted by

s.19.85(1)(f), *Wis. Stats.*, and to confer with legal counsel concerning pending and potential litigation, as permitted by s.19.85(1)(g), *Wis. Stats.*

The closed session may be moved up for consideration during any recess called during the regular meeting agenda. The regular meeting will reconvene in open session following completion of the closed session.

2005 Meeting Schedule

BOARD OF REGENTS

Resolution:

That the attached 2005 Board of Regents meeting schedule
be adopted.

03/5/04

II.9.a.

BOARD OF REGENTS

2005 Meeting Schedule

January 6 and 7 (cancelled, circumstances permitting)

February 10 and 11

March 10 and 11

April 7 and 8

May 5 and 6 (UW-Stout)

June 9 and 10(UW-Milwaukee)

July 7 and 8

August 18 and 19 (cancelled, circumstances permitting)

September 8 and 9 (UW-Extension)

October 6 and 7

November 10 and 11

December 8 and 9

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

**Board of Regents of
The University of Wisconsin System**

Meeting Schedule 2003-04

2003

January 9 and 10
(Cancelled, circumstances permitting)

February 6 and 7

March 6 and 7

April 10 and 11

May 8 and 9 (UW-Stevens Point)

June 5 and 6 (UW-Milwaukee)
(Annual meeting)

July 10 and 11

August 21 and 22
(Cancelled, circumstances permitting)

September 4 and 5

October 9 and 10 (UW-Oshkosh)

November 6 and 7

December 4 and 5

2004

January 8 and 9 (cancelled, circumstances
permitting)

February 5 and 6

March 4 and 5

April 1 and 2

May 6 and 7

June 10 and 11 (UW-Milwaukee)
(Annual meeting)

July 8 and 9 (cancelled, circumstances
permitting)

August 19 and 20

September 9 and 10

October 7 and 8 (UW-Superior)

November 4 and 5

December 9 and 10

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

President - Toby E. Marcovich
Vice President - David G. Walsh

STANDING COMMITTEES

Executive Committee

Toby E. Marcovich (Chair)
David G. Walsh (Vice Chair)
Mark J. Bradley
Elizabeth Burmaster
Guy A. Gottschalk
Gregory L. Gracz
Jose A. Olivieri

Business and Finance Committee

Mark J. Bradley (Chair)
Eileen Connolly-Keesler (Vice Chair)
Guy A. Gottschalk
Peggy Rosenzweig

Education Committee

Jose A. Olivieri (Chair)
Elizabeth Burmaster (Vice Chair)
Roger E. Axtell
Danae D. Davis
Frederic E. Mohs
Charles Pruitt
Beth Richlen

Physical Planning and Funding Committee

Gregory L. Gracz (Chair)
Jesus Salas (Vice Chair)
Nino Amato
Gerard A. Randall, Jr

Personnel Matters Review Committee

Gerard A. Randall, Jr. (Chair)
Roger E. Axtell
Mark J. Bradley
Jose A. Olivieri

Committee on Student Discipline and Other Student Appeals

Charles Pruitt (Chair)
Frederic E. Mohs
Nino Amato
Beth Richlen

OTHER COMMITTEES

Liaison to Association of Governing Boards

Guy A. Gottschalk

Hospital Authority Board - Regent Members

Nino Amato
Roger E. Axtell (ex officio)
Frederic E. Mohs
Peggy Rosenzweig

Wisconsin Technical College System Board

Peggy Rosenzweig, Regent Member

Wisconsin Educational Communications Board

Eileen Connolly-Keesler, Regent Member

Higher Educational Aids Board

Gregory L. Gracz, Regent Member

Research Park Board

Frederic E. Mohs, Regent Member

Teaching Excellence Awards

Danae D. Davis (Chair)
Charles Pruitt
Beth Richlen
Jesus Salas

Public and Community Health Oversight and Advisory Committee

Patrick Boyle, Regent Liaison

Special Regent Committee for UW-Milwaukee

Chancellor Search

Jose A. Olivieri (Chair)
Elizabeth Burmaster
Danae D. Davis
Charles Pruitt
Beth Richlen

Special Regent Committee for UW-Stevens Point

Chancellor Search

Roger E. Axtell (Chair)
Mark J. Bradley
Gregory L. Gracz
Peggy Rosenzweig
Jesus Salas

Committee for Academic Staff Excellence Awards

Eileen Connolly-Keesler (Chair)
Danae D. Davis
Gerard A. Randall, Jr.
Jesus Salas

The Regents President and Vice President serve as ex-officio voting members of all Committees.