

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Superior

Held in the Rothwell Student Center Ballroom

Friday, October 8, 2004

9:00 a.m.

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9:00 a.m.

- President Marcovich presiding -

PRESENT: Regents Axtell, Bradley, Burmaster, Connolly-Keesler, Davis, Gottschalk, Gracz, Marcovich, McPike, Olivieri, Pruitt, Richlen, Rosenzweig, Salas, and Smith

ABSENT: Regents Randall and Walsh

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**APPROVAL OF THE MINUTES**

Upon motion by Regent Connolly-Keesler, seconded by Regent Rosenzweig, the minutes of the September 9<sup>th</sup> and 10<sup>th</sup> meetings were approved as distributed.

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

### **UW-Superior and its active role in the community**

Regent President Marcovich began his report by remarking on the importance of UW-Superior to the community and surrounding area. For example, he noted the campus' active participation in the annual Superior Days trip to Madison to advocate for projects that benefit Northern Wisconsin. The recently constructed Health and Wellness Center has become a source of local pride and a focal point for the community, and plans for a new academic building, with a \$5 million gift of seed money by a local donor, is another accomplishment in which the community takes pride. Overall, he observed that the campus is the center of the intellectual and social life of the community, with events ranging from the Chancellor's Ball to top-notch athletic competitions, lectures and concerts.

Regent Olivieri expressed appreciation for the warm reception the board has received in Superior and thanked Regent President Marcovich for consistently highlighting UW-Superior's special role within the system.

### **Resolution of appreciation: Associate Vice President Frank Goldberg**

Introducing Resolution 8917, Regent Olivieri indicated that, over the years, he has developed a special business relationship with Frank Goldberg as a person to whom he often turned for explanation of what the numbers meant in such areas as retention and graduation rates, and he always felt confident that he could trust the information that was provided. Thanking him for his help and support, Regent Olivieri presented the following resolution, which was adopted by acclamation and accompanied by a standing ovation in honor of Mr. Goldberg.

### **Resolution of Appreciation: Frank Goldberg**

Resolution 8917:

**WHEREAS**, Frank Goldberg has served the UW System with distinction as Associate Vice President for Policy Analysis and Research for 6 ½ years, working as a valued and respected colleague with all sectors of the university; and

**WHEREAS**, Frank has been a leader in the UW System and in higher education nationwide in pioneering the development of useful measures of accountability, helping

the UW System demonstrate its progress through systemwide and institution-specific Accountability Reports; and

**WHEREAS**, Goldberg ably met numerous requests to share his expertise, especially related to guiding valuable Board of Regents' discussions about the importance of student access and maintaining a quality university system; and

**WHEREAS**, Goldberg has been a vital contributor to EM-21, the UW System's enrollment management plan to ensure high access for Wisconsin students, while better serving adult and non-traditional students statewide; and

**WHEREAS**, Frank has inspired many UW System colleagues in Van Hise Hall, by walking up and down 15 flights of stairs several times a day; and

**WHEREAS**, Goldberg has helped the UW System greatly improve its ability to serve students, families, elected officials and state citizens in the spirit of the Wisconsin Idea;

**BE IT THEREFORE RESOLVED** that the Board of Regents of the University of Wisconsin System highly commends and thanks Frank Goldberg for his dependable service and visionary contributions to the state of Wisconsin and the UW System, and wishes him well in his continued career as Vice Provost for Resource Planning and Management at the University of Illinois-Chicago.

Expressing appreciation to Regent Olivieri and the board as a whole, Mr. Goldberg stated that it has been his pleasure to serve the UW System for more than 20 years, having started as an instructor of economics at what was then Wisconsin State University-Whitewater and later serving as institutional research director and budget director at UW-Milwaukee before coming to system administration.

Over the years, he reflected, he gained increased appreciation for the role of the UW System in serving the state, the role of system administration in moving the UW forward, and the role of the board in making the University of Wisconsin the premier system of higher education in the United States.

Adding his personal thanks, Regent President Marcovich observed that Mr. Goldberg has been a great asset to the university and to the board.

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**Presentation of Governor's Award to UW-Superior Library**

Congratulating UW-Superior's Jim Dan Hill Library on being chosen to receive the Governor's Award for Archival Achievement, Regent President Marcovich introduced Dr. Peter Gottlieb, State Archivist of the Wisconsin Historical Society and Deputy Coordinator of the Historical Records Advisory Board.

Dr. Gottlieb began his remarks by acknowledging the assistance of Beth George, UW-Superior's public information officer, for making arrangements for the presentation. He explained that the awards program was inaugurated in 2001 to recognize individuals and institutions for outstanding work with Wisconsin's historical records. The Award for Archival Achievement is given to an institution that has established sound and active archival programs where none has previously existed or that has substantially increased public access and usefulness of an archival collection.

The Lake Superior Maritime Archives at the Jim Dan Hill Library, he remarked, is a notable case of exemplary program development that benefits the public by making rich resource material available. The collection moved from the Corps of Engineers Visitors' Center in Duluth to the Hill Library, where Archivist Laura Jacobs prepared it for research access by organizing the maps photographs, blueprints, shipping records and other material into a logical order and by applying catalog techniques that help users discover the wealth of information that the archives contain. As a result, the collection now receives several hundred inquiries per year, up from about a dozen before coming to the Hill Library.

In addition, parts of the Maritime Archives have become part of a digital collection called the Wisconsin Maritime History Project, sponsored by the State Department of Public Instruction. It also has been featured in a local television series on the maritime history of Superior and Duluth.

To the great credit of UW-Superior and the Hill Library, Dr. Gottlieb stated, the heritage of the region represented by the collection has been made widely accessible beyond the campus through media that reach into homes and classrooms. It is this kind of wide public benefit that merits the Governor's Archives Award.

Accepting the award, Archivist Laura Jacobs recognized Dennis Medjoe, the Lake Superior Marine Museum Association President at the time the collection was transferred, Davis Hellberg, current President of the association and retired head of the Duluth-Superior Port Authority, and Thom Holden, of the Corps of Engineers and the Museum Director. She also

thanked that staff of the library for their support and introduced the library's Director, Dr. Felix Unaeze.

Expressing his appreciation for the award, Dr. Unaeze credited the hard work of the staff of the Hill Library for meriting this honor.

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

A written report was provided to the board.

Regent Olivieri inquired about the progress of transfer initiatives other than those being addressed by the Committee on Baccalaureate Degree Expansion. Regent Smith, President of the WTCS Board, replied that much progress has been made but that a great deal of work remains to be done, adding that the matter of credit transfer remains the number one issue of interest when he speaks with members of the Legislature and the public. Timetables set for achieving goals have been met for the most part, interchange with faculty is ongoing, and the Speakers' Task Force will hear a report on progress the following week. Overall, he felt there has been a great deal of positive movement forward.

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### **Report on the October 6, 2003 meeting of the Hospital Authority Board**

The board received a written report on the October 6<sup>th</sup> meeting of the Hospital Authority Board.

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### **Presentation by Chequamegon Bay Area Alumni Club of UW-Madison on initiatives in support of the Wisconsin Technology Council's goals for the Lake Superior region**

Regent President Marcovich reported that he had received a request from the Chequamegon Bay Area Alumni Club of UW-Madison to speak about their initiatives in support of the Wisconsin Technology Council's goals for the Lake Superior region. He introduced Roger Hansen, President of R. W. Hansen and Associates, to make the presentation.

Noting that the Lake Superior area has struggled economically for quite some time, Mr. Hansen said that the goal is to develop businesses that produce needed goods and services, while at the same time protecting the natural beauty of the region. A speech by Mark

Bugher, Director of the UW-Madison Research Park, and a visit to the area by the Wisconsin Technology Council were the catalysts in prompting the group to believe that a technology industry would be a perfect fit for the area.

Observing that several assets for a technology-based economy were already in place, he cited as examples Northland College, a liberal arts institution with an environmental emphasis; Wisconsin Indianhead Technical College, which houses a new technology center; the UW-Superior, which has been very supportive of economic development efforts; and a group of dedicated people who are committed to doing all that they can to develop the region as a technology center.

That group had asked the Wisconsin Technology Council to establish a Wisconsin Innovation Network Chapter and a technology research park in the area. In order for a research park to be successful, he noted, it would be necessary to secure commitments from technology businesses; and recruitment efforts are under way.

He requested that the expertise of the Wisconsin Alumni Research Foundation or similar university mechanism be made available for helping to analyze prospective companies for the technology center. He also asked for the board's support in establishing a university-sponsored technology research park center of excellence building, perhaps on available technical college land in Ashland. In that regard, he suggested that a collaboration could be established that would allow students to begin their education at the WITC technology center, with a practicum in one of the research park businesses, after which students could transfer to a four-year university to complete their degree program.

In response to a question by Regent Olivieri, General Counsel Brady indicated that WiSys is a subsidiary of the Wisconsin Alumni Research Foundation that was created to assist in technology transfer opportunities at institutions other than UW-Madison, which is served by WARF. She noted that WiSys is seeking funds that would enable it to have four staff persons stationed around the state to work locally with campus faculty or staff on their inventions.

In that regard, Regent Olivieri noted that WiSys would appear to be the appropriate vehicle to provide assistance to the effort to which Mr. Hanson referred. Chancellor Wiley added that WiSys now has received disclosures from every UW institution and that several start-up companies have been formed.

President Reilly recognized the support given by Chancellor Wiley and Carl Gulbrandsen, Director of WARF, to the WiSys state-wide effort. This is a situation, he observed, when UW-Madison and its foundation have stepped up strongly to promote research, patenting and commercialization ideas on campuses across the system.



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### **Public Listening Sessions**

Regent President Marcovich announced that the board would hold public listening sessions on October 18<sup>th</sup> in Eau Claire and October 25<sup>th</sup> in Oshkosh to obtain citizen input on three key issues:

Affordability of a UW education

Recruitment and retention of top-quality faculty, staff and academic leaders

The role of UW campuses in growing the state's economy.

The sessions were to run from 4:00 – 6:00 p.m. and would be conducted by Regent President Marcovich, Regent Bradley, and other regents.

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

President Reilly began his remarks by noting his conviction that communication must be among the UW's top priorities – to communicate the importance of the university's work and to strengthen relationships with the people and organizations that make this work possible.

In his first weeks in office, he has heard repeatedly about how important the university is to the people of the state in many different ways. It is the UW's responsibility to uphold its commitment to all its constituents, to provide the tools they need to improve their quality of life, and to seize every opportunity to contribute in the spirit of the Wisconsin Idea.

In the past month, the President continued, he met with groups of UW System staff who are eager to better communicate with stakeholders downtown so that they can help the campuses focus on their core missions of teaching, research and public service.

At the invitation of Regent Burmaster, he met with administrators from Wisconsin's K-12 schools who rely on the UW to provide them with qualified teachers and who are excited about working with the university to provide seamless PK-16 education for all Wisconsin students.

With Regents Olivieri and Salas and Chancellor Santiago, he met with Latino leaders in Milwaukee who are supportive of the effort to maintain access for students of all backgrounds.

Reporting that he also met with the UW System Student Ambassadors, President Reilly characterized them as a bright and enthusiastic group who are very aware of the effects of budget cuts on their campuses. He also had a discussion with student journalists who are asking tough questions and informing their fellow students about tuition forecasts and other important matters.

With Regent Randall, he met with business, government and community leaders from Milwaukee's Private Industry Council who share the priorities on preparing youth and adult workers for higher education and the work force.

With Interim Chancellor Nylander, Chancellor Mash and Provost Sedlak, he met with those who are leading the technology revolution in the Chippewa Valley where the universities play vital roles in creative partnerships that are transforming the area's economy. In addition, he and Chancellor Wiley spoke to the Badger Action Network in order to promote advocacy on behalf of the university.

Noting that he also had reached out to many legislators, President Reilly indicated that most of them recognize the importance of the UW in building a prosperous and healthy Wisconsin and they are acutely interested in the university's plans for efficiency. Noting that they had good discussions about what it will take for the UW to remain a quality, accessible part of the Wisconsin landscape, the President said that legislators want to hear the stories of those in the university community, and he encouraged people to tell their stories, noting the example of Professor Hector DeLuca's impressive testimony before the Joint Audit Committee about the economic value of his research.

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### **Wisconsin Cyber Security Coalition**

President Reilly introduced Dr. Sreekanth Malladi, the new head of the UW-Superior Mathematics and Computer Science Department, who is an important part of a team hired to meet the goals of the Wisconsin Cyber Security Coalition, consisting of UW-Superior, UW-Milwaukee, UW-Madison, UW-La Crosse, UW-Stevens Point, and UW-Parkside. These institutions are working together to meet a growing demand for graduates skilled in information assurance.

UW-Superior received \$387,000 of a \$1.2 million coalition grant from the National Science Foundation, and it is sharing nearly \$80,000 with the Lac Courte Oreilles Tribal and Community College to continue a partnership in information technology. UW-Superior

professor Dr. Victor Piotrowski has provided expertise and leadership in involving the campus in this program of national interest.

UW-Superior students in this field have been very successful, and some having gone on to the “Cyber Corp” computer security program at the University of Tulsa. Upon graduating with a master’s degree, these students spend at least two years working as a certified computer security expert for a government agency.

Dr. Malladi indicated that the coalition plans to work collaboratively with other universities and organizations to write grant proposals and to position UW-Superior as one of the premier security programs in the nation.

Regent Olivieri asked if there could be a connection between the cyber-security program and technology initiatives promoted by the Chequamagon Bay organization, and Chancellor Erlanbach responded that, while there is no direct link at this time, such a connection might be possible in the future.

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### **UW-Superior Partnerships with Native American Community**

In addition to the information technology partnership with Lac Courte Oreilles Tribal and Community College, the President reported, the campus also worked with UW-Extension in naming Tony Fairbanks as the UW’s first American Indian youth development specialist. He will lead recruitment and support services for current and potential American Indian students and will work closely with 4-H and UW-Superior’s First Nations Studies Program.

### **Retention of Students of Color at UW-Superior**

President Reilly commended UW-Superior for improving retention of African American, American Indian, Asian American and Hispanic American students by 31% since 1997. The university’s integrated approach is exemplified by its Multicultural Affairs Office, specialized staff and creation of a Multicultural Center. He thanked Multicultural Affairs Coordinator Chip Beal for his excellent work.

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### **Plan 2008 Best Practices Conference**

It was reported by President Reilly that the system-wide Office of Academic Diversity and Development has been working hard to help the campuses meet their goals by focusing energy on the critical area of retention. As part of this effort, a “Plan 2008 Best Practices Conference” will be held in Oconomowoc on October 18<sup>th</sup> and 19<sup>th</sup>. The conference will provide an opportunity for scholars, researchers, administration, faculty and students to learn about best practices with demonstrated outcomes for retaining students of color. He expressed appreciation to Senior Vice President Cora Marrett and Marilyn Rhodes and her staff for developing this important conference.

Noting that some regents plan to attend the Plan 2008 Best Practices Conference, Regent Davis commented that it is important for the board to have a presence at this significant event.

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### **UW-Stout Receives Federal Grant to Improve Retention and Graduation Rates**

President Reilly reported that UW- Stout has received a \$1.75 million federal grant for a new program to improve retention and graduation rates. The five-year grant will allow the university to strengthen advising and career-planning services, increase retention, and improve its already outstanding campus laptop learning environment.

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### **Graduation Projects**

President Reilly commended Chancellor Wells and UW-Oshkosh for launching a project that could add many more UW trained workers for Wisconsin’s economy. The Oshkosh Graduation Project will help students close to graduation to return to school and complete their degrees. UW-River Falls has identified more than 700 students who would qualify for a similar program at that campus, and UW-Eau Claire also is considering a graduation project. These efforts could add as many as 4,000 UW graduates to the state’s workforce in just five years.

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**UW-Eau Claire Fundraising Campaign**

It was reported by President Reilly that the UW-Eau Claire Foundation Board of Directors voted unanimously to extend its “Fulfilling the Promise of Excellence” fundraising campaign through December 2007 and to increase the goal from \$35 million to \$50 million. Scheduled to end in June 2005, the campaign already has raised \$38 million, surpassing its initial goal 15 months ahead of schedule. The funds raised will be directly invested in the university’s faculty, staff, students and programs.

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**Research Publication by UW-Marinette Physicist**

President Reilly congratulated UW-Marinette physicist Paul Erdman who was recently published as a lead author in the prestigious *Journal of Quantitative Spectroscopy and Radiative Transfer*. UW-Marinette is prominently featured in his article, titled “Optical Absorption of Lithium Metal Vapor at High Temperatures.”

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**UW-River Falls Facility Named in Honor of Chancellor Lydecker**

It was reported by President Reilly that UW-River Falls honored former Chancellor Ann Lydecker during dedication of the campus’ new C.H.I.L.D. Center. The initials stand for Creative Hours in Learning Development, a philosophy the center will use in caring for as many as 96 children. Chancellor Lydecker worked to make the center a priority before her death last year and helped to gain enough support from students and private donors to pay for the \$1.1 million facility without using any taxpayer dollars. The President congratulated UW-River Falls for making this vision a reality.

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**UW-Milwaukee Symposium on Nanotechnology**

Reporting the UW-Milwaukee’s Graduate School and Chemistry Department will host a “Symposium on Nanotechnology”, President Reilly noted that experts in this field work to develop devices and systems on a molecular scale, which could mean exciting advances in fields like genetics, artificial intelligence and physics. Before coming to Milwaukee, Chancellor Santiago worked to broaden similar research at the University of Albany.

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**UW-Parkside Exchange Agreement**

President Reilly reported that UW-Parkside has signed an exchange agreement with the University of Calabria-Cosenza, Italy. This agreement enhances the opportunity for students to make global connections, while also honoring southeastern Wisconsin's Italian heritage. Interest is high, with a new Parkside course in beginning Italian immediately filled to capacity.

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**Wisconsin Technology Council Report**

President Reilly referred to a recent report by the Wisconsin Technology Council, titled "The Economic Value of Academic Research and Development in Wisconsin," which shows that research and development at Wisconsin universities and research institutions translated into \$883 million and 31,000 jobs in the last year. It indicates that, even as the state's economy has suffered, academic research and development have strengthened, growing by \$47.5 million last year in the UW System alone. The report urges the Governor and Legislature to begin to restore the UW System budget. President Reilly thanked the Wisconsin Technology Council for paying such close attention to this critical part of the university's mission and for sharing its findings with the state.

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

Regent Salas, Chair, presented the committee's report.

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**Report of the Assistant Vice President**

***Building Commission Actions***

Assistant Vice President David Miller reported that the Building Commission approved about \$22 million for UW projects at its September meeting.

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## **Consent Agenda**

Regent Salas presented the following resolutions as consent agenda items.

Resolution 8918 would authorize construction of a residence hall at the UW-Madison Kemp Natural Resources Station in Woodruff at a cost of \$696,000 to be paid entirely from gift and grant funds. The hall, which would provide short-term lodging for visiting university faculty and students, joins a complex of seven other buildings near the shore of Lake Monona. The station is a multi-disciplinary research and teaching facility operated by the College of Agricultural and Life Sciences that carries out pioneering research in the fields of ecology, soil science, forest insects and disease, plant physiology, and wildlife management.

Resolution 8919 provides for approval of the design report and authority to construct a Middleton Library renovation project, located at 1305 Linden Drive, on the UW-Madison campus. The project will enable relocation of the McBurney Disability Resource Center, career services for the College of Letters and Science and the School of Human Ecology and the Office of Continuing Studies from their University Avenue location, and the PEOPLE/POSSE programs from their current locations in Bascom Hall and the Education Building. The latter are important student-of-color initiatives, and it is expected that bringing them together will improve their effectiveness. The University Avenue location is the site of a planned addition to the Grainger School of Business. The project cost of \$497,600 is to be funded by non-GPR funds.

Resolution 8920 requests authority to increase the scope and budget of the Biotechnology Building addition at UW-Madison. The addition is part of the BioStar initiative endorsed by the board in 2000 to provide a ten-year, \$317 million program funded with 50% GPR and 50% non-GPR funds, for the purpose of supplementing biotechnology-related facilities at UW-Madison. Construction of the addition was approved as part of the 2001-03 budget and enumerated at \$27 million (\$18 million GPR and \$9 million non-GPR funds). The current request does not include any increase in General Fund Supported Borrowing; rather, the increase in scope is to be paid by additional gift and grant funds.

Resolution 8921 requests an increase in the project budget of the new student union project, which was enumerated in the 2001-03 Capital Budget at \$20,451,000. In May 2002, the budget was increased to authorize construction of the C.H.I.L.D Center project at a cost of \$600,000 and was again increased later that year to \$29 million. Recent steep cost increases in steel, concrete, and fuel prices result in the current request to increase the budget to \$32,927,000 million, which will be funded by program revenues.

Adoption of the following resolutions was moved by Regent Salas, seconded by Regent Gottschalk and carried on a unanimous voice vote.

**UW-Madison: Approval of the Design Report and Authority to Construct a Kemp Residence Hall Project**

Resolution 8918: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct a Kemp Residence Hall project at the Kemp Natural Resources Station in Woodruff, Wisconsin, at an estimated project cost of \$696,000 Gift and Grant Funds.

**UW-Madison: Approval of the Design Report and Authority to Construct a Middleton Library Renovation Project**

Resolution 8919: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct a Middleton Library Renovation project, at an estimated project cost of \$497,600 Institutional Non-GPR Funds.

**UW-Madison:  
Authority to Increase the Scope and Budget Of the Biotechnology Building Addition**

Resolution 8920: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the Project scope and budget of the Biotechnology Building Addition project by \$726,500 Gift/Grants and Institutional Non-GPR funds, for a revised total project Cost of \$27,726,500 (\$18,000,000 General Fund Supported Borrowing – BioStar, and \$9,726,500 Gifts/Grants and Institutional Non-GPR Funds).

**UW - River Falls: Authority to Increase the Budget of the New Student Union Project and Seek a Waiver**



Resolution: 8921: That, upon the recommendation of the UW-River Falls Chancellor and the President of the University of Wisconsin System, authority be granted to (1) increase the project budget of the New Student Union project by \$4,527,000 (\$2,017,000 Program Revenue Supported Borrowing and \$2,510,000 Program Revenue-Cash) and (2) seek a waiver of the four percent DSF management fee, estimated at \$176,000, for the amount of construction cost increase, for an estimated total project cost of \$32,927,000 (\$22,367,000 Program Revenue Supported Borrowing, \$10,310,000 Program Revenue-Cash, and \$250,000 Building Trust Funds-Contingency).

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## **REPORT OF THE BUSINESS AND FINANCE COMMITTEE**

Regent Bradley, Chair, presented the committee's report.

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### **Legislative Audit Bureau Evaluation of UW System Staffing**

Regent Bradley reported that the committee, with all regents invited to attend, met to hear a presentation from State Auditor Jan Mueller on the Legislative Audit Bureau's evaluation of UW System staffing. An audio transcript of her remarks as well as the question and answer session was made accessible on the UW System website.

Regent Bradley noted that President Reilly said, both after the presentation and at the legislative public hearing, that the UW System embraces all four of the Legislative Audit Bureau's recommendations and that he and his staff looked forward to working with the Audit Bureau on implementing them.

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**Presentation by Jan Hanson, Vice Chancellor Administration and Finance; and Jill Schoer, Assistant Chancellor for University Advancement on Physical Development Plan and Campaign Superior**

The Business and Finance Committee met in joint session with the Physical Planning and Funding Committee to hear a presentation by UW-Superior on the campus physical development plan and Campaign Superior. Jan Hanson, Vice Chancellor for Administration and Finance gave an overview of the six-year development plan, reporting that the campus needs more space to effectively teach and serve its students and also needs more flexibility with that space, especially in order to deliver technology for student and faculty use.

Jill Schoer, Assistant Chancellor for University Advancement, highlighted the fundraising effort of Campaign Superior – Higher Expectations. Since 1997, UW-Superior has been planning this campaign, connecting with alumni and generating interest among donors. The goal of the campaign is to raise \$17.5 million, one-third of which already has been committed.

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**Follow-Up Discussion Regarding Faculty, Staff, and Academic Leaders Salary and Recruitment Issues**

Noting that Regent President Marcovich had asked the committee to report on salary and recruitment issues for faculty, academic staff and academic leaders, Regent Bradley recalled that last month the committee reviewed a staff report showing how these three groups of employees compared against the medians for their state-approved peer groups. The committee's initial reaction was that the trends are rather alarming. Gaps between the medians and what the state has allowed the UW to pay are widening, which makes the university less and less competitive for needed talent.

This month, the committee focused on recruitment and retention issues. UW-Whitewater Provost Dick Telfer commented on salary compression, noting that faculty hired two years ago have seen no meaningful increases in their pay, so that in many cases they are making less than new faculty who had to be offered competitive rates to hire them. UW-Whitewater, he noted, has been forced to "cannibalize" its graduate assistant program for the sake of keeping faculty, and many faculty and potential hires have expressed dismay at the lack of domestic partner health insurance benefits. In addition, faculty from many competing institutions offer tuition consideration for spouses and children of faculty.

UW-Madison Chancellor John Wiley noted that hiring faculty to maintain the quality of a department is a matter of supply and demand. He pointed out that retaining a quality faculty

member is simply good stewardship of state funds and that one lost faculty member at UW-Madison averages a cost of \$3 million in lost revenue and costs of replacement in terms of getting a new faculty member equipped and ready to be able to attract research dollars. Faculty who stay at UW-Madison, if they can be retained, produce an average of \$12 to \$14 million throughout their careers, making a great return on investment for the state.

David Carroll, Chair of the UW-Superior Faculty Senate, pointed out that a small campus must work very hard to compete for faculty and listed several faculty who have left the campus recently for salary reasons. As a public liberal arts college, he noted that UW-Superior has a lot to offer prospective faculty but that ability to pay them competitively is not one of the selling points.

Dennis Elsenrath commented from his perspective as a 40-year UW employee and Chair of the UW-Stevens Point Psychology Department. He pointed out that this is a critical time in the effort to maintain the world-class level of the UW System because of loss of faculty, not only due to competitive salary issues, but also due to retirement. He gave several examples of dedicated faculty who just could not afford to pass up competitive salary and benefit packages offered by other public universities. These are people, he noted, who have been active in the community, have donated their time to public service, and who have earned excellent ratings from students for their teaching and their willingness to involve students in their research. Their departure has led to lower morale among faculty and also has been costly and disruptive to students and other faculty on campus.

Ray Spoto, President of the Association of University of Wisconsin Professionals (TAUWP) focused his remarks on retention, pointing out that states in the deep South now are paying up to 15% more for faculty salaries than the UW System. He urged that the state reward loyal people who stay instead of making them pay what faculty refer to as the "Wisconsin loyalty tax." Finally, he noted that UW faculty do not have the ability to collectively bargain their salaries, unlike public higher education employees in 37 other states.

Final testimony came from Janice Czynscon, representing the United Faculty and Academic Staff. Noting that 90 cities and counties, including the City of Milwaukee, Dane County, and the City of Madison, offer domestic partner health insurance benefits, she stated that lack of this benefit is becoming a critical factor in being competitive in faculty recruitment and retention. The committee asked staff to report on the number of institutions in the comprehensive and doctoral peer groups that provide domestic partner health insurance benefits.

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### **Report on General Revenue Positions Created**

Vice President Durcan advised the committee that there was no need for a resolution to submit a statutorily required report concerning the number of positions created because the university has yet to exercise this authority. Having an adequate number of faculty, however, is a growing concern and it may be necessary to revisit this exercise of authority depending on the results of the 2005-07 budget request.

Regent Olivieri asked if this meant that new positions would have to be funded through reallocation or other sources if the budget request for GPR support was not approved, and Regent Bradley replied in the affirmative.

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### **Discussion Regarding UW System Trust Funds**

#### ***Board Policy on Expenditure of Principal***

Assistant Trust Officer Doug Hoerr explained to the committee that current policy provides for gifts to the UW System of \$50,000 or more, where the donor does not specify how the gift would be used, to become an endowed fund, with expenditure of 4 ½% of the value permitted. The committee discussed the whether the \$50,000 threshold should be raised to \$100,000 or even \$500,000 and whether guidelines should be provided to the campuses for use in requesting exceptions to the policy. Chancellor Bunnell and Chancellor Wiley commented on what types of guidelines might be offered and on whether the threshold should be increased. Staff were asked to develop a recommendation to be considered at the next meeting.

#### ***2004 Proxy Voting Season Results***

Mr. Hoerr reported on the proxy season and how proxies were voted by staff in accordance with instructions they had been given. There were 144 proposals, of which 62 came to votes. Regent Bradley noted that in November the committee would hold its annual forum for the public to present their views on how money is invested and how proxies are voted. The full report on the voting season is to be posted on the UW System trust funds website.

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

Vice President Durcan reported that the System will work closely with the chancellors to implement the Legislative Audit Bureau's recommendations.

She also reported on collaboration that is taking place with the Wisconsin Technical College System on data warehousing. The WTCS is beginning a business intelligence project, and the UW System was able to share information and names of contacts that will save the technical colleges time and money in getting their project off the ground. Working together to share information in the future, she stated, would benefit both systems.

### **Consent Agenda**

Regent Bradley presented Resolutions 8922-8924, which were unanimously approved by the committee, and moved their adoption as consent agenda items by the Board of Regents. The motion was seconded by Regent Davis and carried on a unanimous voice vote.

#### **Report on Using the Continuing Appropriation to Serve Adult Students**

Resolution 8922: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents accepts the report on Cost Recovery Activity, Credit Enrollment and Unduplicated Student Headcount by Program and Age, 2003-04 Academic Year for Submission to the Joint Committee on Finance.

#### **Report on Expenditures in Excess Of Allotment Authority**

Resolution 8923: That, upon the recommendation of the President of the University of Wisconsin System, the Report on Expenditures in Excess of Allotment Authority be accepted for transmittal to State Officials.

#### **UW Hospital and Clinics Authority on Lease and Affiliation Agreements**

Resolution 8924: WHEREAS, the University of Wisconsin Hospital and Clinics Authority (the "Authority") is public body  
Corporate and politic created by Chapter 233 of the Wisconsin Statutes, as amended, for the purpose of Maintaining, controlling and supervising the use of the University of Wisconsin Hospitals and Clinics ("UWHC"); and

WHEREAS, the Authority leases the space occupied by the UWHC on the UW-Madison campus from the Board of Regents of the University of Wisconsin System ("Board of Regents") pursuant to a "Lease Agreement" dated as of June 29, 1996; and

WHEREAS, an "Affiliation Agreement" between the Authority and the Board of Regents, also dated as of June 29, 1996, specifies how the Authority and the Board of Regents will continue to work together to fulfill their interrelated mission, and addresses personnel, external relations, education, research planning, financial support, networking, professional staff, insurance, and other matters; and

WHEREAS, on April 16, 1997, the Authority issued \$50 million of its Variable Rate Demand Hospital Revenue Bonds, Series 1997, for the purpose of financing improvements to UWHC facilities; and

WHEREAS, on March 23, 2000, the Authority issued \$56.5 million of its Hospital Revenue Bonds, Series 2000, for the purpose of financing improvements to UWHC facilities; and

WHEREAS, on October 31, 2002, the Authority issued \$55,600,000 of its Hospital Revenue Bonds, Series 2002A, and \$12,900,000 of its Hospital Revenue Bonds, Series 2002B, for the purpose of financing improvements to UWHC facilities; and

WHEREAS, the Authority has been recently authorized by legislation and proposes to issue up to \$60,000,000 of its Hospital Revenue Bonds, Series 2004 (the "Bonds"), for the purpose of financing additional improvements to UWHC facilities and the purchasers of the Bonds are referred to hereafter as the "bondholders"; and

WHEREAS, the Authority has informed the Board of Regents that a bond insurance company is considering issuing an insurance policy insuring the payment of principal and interest on the Bonds (the "Bond Insurer"), and the Bond Insurer is unwilling to insure the Bonds unless it receives additional assurances that unless adequate provision for the repayment of the Authority's Hospital Revenue Bonds has occurred that the Authority's

access to UWHC facilities will not be terminated under the Lease Agreement and Affiliation Agreement; and

WHEREAS, the Authority has indicated to the Board of Regents that if the Board of Regents clarified under what conditions the Board of Regents might terminate the Lease Agreement and Affiliation Agreement, that this would be materially helpful to the Authority's effort to obtain bond insurance and to market the Bonds and as an inducement to the Bond Insurer to insure such bonds.

NOW, THEREFORE, to the extent not inconsistent with Wisconsin law, the Board of Regents hereby resolves as follows:

1. The Board of Regents intends to keep the Lease Agreement and Affiliation Agreement in effect through their respective current termination dates of June 29, 2034, absent material deviation by the Authority from the policy objectives the Lease Agreement and Affiliation Agreement.
2. The Board of Regents will not exercise its option to terminate the Lease Agreement or Affiliation Agreement, or both, unless and until the Board of Regents, the Wisconsin Legislature, or some other party, or some combination of the foregoing, makes arrangements to adequately provide for the protection of the bondholders. The term "adequately provide for the protection of bondholders" shall mean: (i) the Board of Regents has received the consent of the Bond Insurer, or (ii) the Bonds are redeemed or defeased in accordance with their terms, or (iii) legislation has been enacted or other appropriate action has been taken such that the obligor assuming the obligations of the Authority, if other than the Board of Regents of the State of Wisconsin, (a) is a public or not-for-profit entity, (b) is bound by the covenants in the Master Indenture of Trust and 2000 Series Supplement to the Master Indenture of Trust, the 2002 Series Supplement to the Master Indenture of Trust, and the 2004 Series Supplement to the Master Indenture of Trust, and (c) is financially able, in the judgment of the Bond Insurer, to pay debt service on the Bonds.

3. This Resolution shall not be revoked, rescinded or amended without the prior consent of the Bond Insurer.

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## **REPORT OF THE EDUCATION COMMITTEE**

Regent Olivieri, Chair, presented the committee's report.

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### **Follow-up discussion of Legislative Audit Bureau Report**

Regent Olivieri reported that committee members expressed their appreciation for the helpful and informative manner in which the state auditor presented the material directly to the board. The committee discussed the 15% figure and what that might mean in comparison to other entities, noting that other agencies within the state have comparable administrative cost percentages. Senior Vice President Marrett was asked to keep the committee informed about areas related to the audit that are particularly academic in nature, so that the committee could focus on dealing with them.

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

#### ***Higher Learning Commission Accreditation Report and Institutional Report on General Education, UW-Superior***

Regent Olivieri reported that the committee heard a presentation by UW-Superior on its institutional accreditation process that resulted in a 10-year accreditation. In addition to the regular accreditation, the university asked for a review of its general education program because of its liberal arts focus. This resulted in a recommendation that there be a progress report in 2006 as to how well UW-Superior is progressing towards matching its mission with its curricular offerings and the assessment of student learning. The committee asked that the university report back to the committee in a year about its progress in that regard.

The committee also had a broader discussion of the importance of general education, with the UW-Superior provost noting that questions often are raised by students and faculty regarding the value of the general education component of a degree program. He indicated that one of the outcomes the university is attempting to measure is the impact of the general education program on the citizenship skills and interests of students. Regent Burmaster noted that the PK-16 Council is undertaking a citizenship initiative and suggested collaboration between the two efforts.



***Measures, Benchmarks and Accountability: As viewed on the Way Out-Farewell  
Remarks by Associate Vice President Frank Goldberg***

In his farewell presentation, Associate Vice President Goldberg spoke of the distinction between what is measured to provide accountability to external constituents and what needs to be measured for continuous improvement within the institutions. Regent Olivieri remarked that, while a great deal of time is spent at the regent level on the former, the latter also merits ongoing attention.

***B.A./B.S. in Multimedia Digital Arts, University of Wisconsin-Whitewater***

Regent Olivieri reported that the committee unanimously recommended this program as meeting ongoing criteria for approval by the board.

***M.S. in Occupational Therapy, University of Wisconsin-La Crosse***

Regent Olivieri pointed out that the move to a master's degree and elimination of the bachelor's degree in occupational therapy is being driven by accrediting agencies. At the last meeting questions were raised about the time and credits to degree, inasmuch as the program would require 80 plus credits and 6 ½ years of study, in comparison to 70 plus credits at other institutions. Representatives of the La Crosse program responded that some components of their program differed, from others, requiring more credits. They also indicated that they would work toward dual degree programs in which a master's degree can be obtained in 5 ½ years in order to accelerate the movement of people into the occupation.

While he had voted to approve the program, Regent Olivieri remarked that the decision was a difficult one for him because he felt it is a serious mistake to make it more difficult for people to enter health care professions at a time when there is a significant shortage of health care workers.

Regent Olivieri reported that the committee then discussed the issue of "accreditation creep," noting that there were proposals to require a doctorate in occupational therapy for entry into the profession. While there was initial consideration of having a resolution dealing with that specific issue, Regent Burmaster made the point that there are other health care occupations facing the same challenge. Therefore, the committee decided to look at various health care occupations and present a resolution expressing the board's concern about this issue. Another component of that resolution is likely to be a request to campuses to review their health care degree programs with the purpose of reducing credits and time to degree and to report back to the board within a period of time.

In discussion at the Board meeting, Regent President Marcovich asked if the accreditation issue is a case of the “tail wagging the dog”. Regent Olivieri replied that there are increasing educational requirements in occupations for which there is significant societal need. He thought it important for the board to speak to the matter as aggressively as possible and to ask President Reilly and others to assist in advocating for the board’s position. Along with challenging outside entities to look at the issue, he thought the university should challenge itself to make sure that its programs are as tight and concise as possible. In that regard, he noted that, through the approval process, UW-La Crosse was able to reduce its occupational therapy related credits and that the same opportunity might be available in other programs in the system.

Regent President Marcovich asked if it is not the university’s obligation to train students so that they can work in their chosen fields, whatever the accreditation requirements, to which Regent Olivieri replied in the affirmative, noting that master’s degree programs were being approved because there is no alternative if students are to be able to practice in those professions.

Regent Davis added that regents need to become educated about the issue, recognizing the expertise of professionals in understanding what is needed to perform those jobs. She noted the importance of meeting the societal demand for workers and felt that the board should address those issues within the next 60 days.

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### **Authorization to Recruit: Provost and Vice Chancellor, UW-Milwaukee**

The committee approved authorization to recruit a provost and vice chancellor for UW-Milwaukee.

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### **Consent Agenda**

Regent Olivieri presented Resolutions 8925-8927, which had been approved unanimously by the committee and moved their adoption by the Board of Regents as consent agenda items. The motion was seconded by Regent Richlen and carried on a unanimous voice vote.

**UW-Whitewater: Program Authorization (Implementation) B.A./B.S. in Multimedia Digital Arts**

Resolution 8925: That, upon recommendation of the Chancellor of the University of Wisconsin-Whitewater and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.A./B.S. in Multimedia Digital Arts.

**UW-La Crosse: Program Authorization (Implementation) M.S. in Occupational Therapy**

Resolution 8926: That, upon recommendation of the Chancellor of the University of Wisconsin-La Crosse and the President of the University of Wisconsin System, the Chancellor be authorized to implement the M.S. in Occupational Therapy.

**UW-Milwaukee: Authorization to Recruit: Provost and Vice Chancellor**

Resolution 8927: That, upon the recommendation of the President of the University of Wisconsin System, the Chancellor of the University of Wisconsin-Milwaukee be authorized to Recruit for a Provost and Vice Chancellor of the University of Wisconsin-Milwaukee, at a salary within the Board of Regents salary range for University senior executive salary group four.

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**ADDITIONAL RESOLUTIONS**

Stating that Chancellor Erlenbach and the UW-Superior community should be very proud their wonderful students, staff and campus, Regent Connolly-Keesler presented Resolution 8929, which was adopted by acclamation with an round of applause in appreciation to UW-Superior.

**UW-Superior: Resolution of Appreciation**

Resolution 8928: WHEREAS, the members of the Board of Regents are pleased to have accepted the invitation to hold the board's October 2004 meetings at the University of Wisconsin-Superior; and

WHEREAS, the board is more aware of the challenges and triumphs of the system's northernmost campus following the presentation "The Evolution of Wisconsin's Public Liberal Arts College," an insightful and valuable UW-Superior retrospective; and

WHEREAS, the board again congratulates UW-Superior's Jim Dan Hill Library for earning the Governor's Award for Archival Achievement in recognition of its chronicle of the area's maritime history; and

WHEREAS, board members learned a great deal during an enlightening trip to the research vessel "The L.L. Smith, Jr."; and

WHEREAS, the board is grateful for the generous hospitality extended by Chancellor Julius Erlenbach and his staff, and wishes the entire UW-Superior community well as it continues to build upon the \$13 million already pledged in the ambitious and successful "Campaign Superior";

BE IT THEREFORE RESOLVED that the Board of Regents hereby thanks the University of Wisconsin-Superior for an encouraging, informative and truly superior experience.

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## **CLOSED SESSION**

The meeting was recessed at 10:45 a.m. and reconvened at 11:00 a.m., at which time the following resolution, moved by Regent Gottschalk and seconded by Regent Davis, was adopted on a unanimous roll-call vote, with Regents Axtell, Bradley, Connolly-Keesler, Davis, Gottschalk, Marcovich, McPike, Olivieri, Pruitt, Richlen, Rosenzweig, Salas, and Smith (13) voting in the affirmative. There were no dissenting votes and no abstentions.

Resolution 8929:

That, the board of Regents recess into closed session, to consider a UW-Madison honorary degree nomination, **as** permitted by s.19.851(c) and 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.* and to consider personal histories related to naming a faculty at UW-Stevens Point, as permitted by s.19.85(1)(f), *WIS.STATS.*

The board arose from closed session at 11:30 a.m., at which time the meeting was adjourned. There were no actions to report.



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Judith Temby, Secretary