

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison

Held in 1820 Van Hise Hall

Thursday, September 9, 2004

11:00 a.m.

- President Marcovich presiding -

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

ABSENT: None

- - -

REMARKS BY UW SYSTEM PRESIDENT KEVIN P. REILLY

Regent President Marcovich welcomed President Kevin P. Reilly as the sixth president of the University of Wisconsin System, noting that he was off to a strong start with appearances across the state. He also welcomed the audience listening to the meeting over the Internet through audio streaming for the first time.

President Reilly made the following remarks:

Thank you, Toby, for your warm introduction and my thanks to all the Regents, Chancellors, faculty, staff, and students who have made me feel extremely welcome since

I've assumed the presidency of the system. I also want to extend a special thanks to my predecessor, Katharine Lyall, for her graciousness and assistance during the transition.

One of the great legends in higher education, as you may know, was Clark Kerr, the president of the University of California System. He was essentially the architect of California's integrated system of higher education and the president who led the tremendous growth in the University of California.

As I begin my tenure, I am reminded of Kerr's famous remark upon being forced out of office by then California Governor Ronald Reagan, after the student riots of the late 1960s. He said, and I quote, "I leave this job as I came to it: fired with enthusiasm!"

Indeed, I am fired with enthusiasm as I enter this office. It has been a very busy and fulfilling six days on the job, especially coinciding with the arrival of students back on our campuses. Among other things, I have learned that class change in Van Hise Hall is not the time to be trying to snag an elevator. And, on a more serious note, as much as one can know and appreciate the UW System from the vantage point of a chancellor, from the president's desk, it is exponentially more "awesome" in its reach, its complexity and its impact.

With your indulgence, I thought I would take a few minutes to catch you up on what I've been doing and learning the last several weeks. That will lead in nicely, I think, to my opportunity to share with you some of my priorities for the weeks and months ahead.

I've already had the good fortune to visit several of our campuses since my appointment as president. Two weeks ago, I met with faculty and staff at UW-Whitewater at the invitation of Chancellor Miller, UW-Green Bay with Chancellor Shepard, and UW-Fox Valley with Interim Chancellor Cleek. All three events were academic year-opening convocations, and the last one, at Fox Valley, brought together the UW Colleges' faculty and staff from all 13 two-year campuses.

At all of them, I talked about the future of this university, where we're going, and our collective ideas about how we should get there. I have also met with several systemwide groups, including our UW System Compensation Advisory Committee, our state relations specialists, our faculty representatives and the leadership of United Council.

And between now and our next regent meeting, I will talk with Hispanic audiences in Milwaukee with Regents Olivieri and Salas and Chancellor Santiago; and economic developers in Hudson with Interim Chancellor Nylander. I'll also be addressing the state's K-12 district administrators with Regent Burmaster, the Wisconsin Technology Council at the invitation of Tom Still, and scores of UW alumni. And I'll be going to Washington D. C. to re-introduce myself to our federal delegation. These audiences, like you, will hear me stress our critical role in Wisconsin's future.

One clear message I have received so far has been the importance of communication: it's clear to me that a top priority must be to share the importance of the work that happens

within this university, and to build lasting relationships with the people and organizations that make it possible.

I've been told that as president, I represent the UW System. But that's only partly true. Our faculty, staff, students, chancellors, regents - everyone in this room - you *all* represent the UW System, and there's no one who can tell our story better. We will all need to work together - with one voice - to articulate our value, our needs, and our positive impact in educating students and strengthening Wisconsin's economy.

Our mission as a public university is to be Wisconsin's premier developer of advanced human potential, of the jobs that employ that potential, and of the communities that sustain it.

I have come away from my visits and meetings feeling that there is strong consensus behind that mission and the budget you passed last month. The priorities we've identified in the budget - rebuilding quality, remaining competitive, keeping college affordable, maintaining and, we hope, enhancing access - resonate out there.

Your vote to approve the budget request was really a vote for "**student access**" and "**Wisconsin success.**"

Our budget is a "**student access**" budget because it contains financial aid that will in effect, freeze tuition for students from families with annual incomes in the low \$40,000 range and below. It is a "**student access**" budget because it will enable working adults to have access to educational opportunities throughout their careers.

And it is a student **access** budget because it will ensure that students have access to quality faculty and staff.

I am reminded, as I make my campus visits, that more than 85% of our general operating budget is spent on people. Faculty and staff are at the core of our enterprise. Without quality people, we cannot have a quality university.

To me, it is unacceptable that we have almost 9,000 more students and nearly 700 fewer faculty than we did a decade ago. Quality is in jeopardy when 40% of our student credit hours are taught by nonfaculty, no matter how talented and dedicated they might be.

Our success depends on our students having access to the best teachers and practitioners. And that takes nationally competitive compensation packages, so we can keep our best and brightest here in Wisconsin - some of whom we will recognize tomorrow at our Teaching Award ceremony.

I have also characterized this as a "**Wisconsin success**" budget. "Brain gain" is an important priority as we work with the Governor and legislative leaders to increase the number of state residents with baccalaureate degrees. Some of you may have read a recent column in the *Wisconsin State Journal* that implied that getting a college degree is a "luxury," and that a person's earnings are not linked to educational achievement.

Not true.

It is striking that when you look across the United States, you see that those states with greater than average personal incomes have a higher percentage of the adult population with college degrees. Minnesota and Illinois are both good, nearby examples of this.

Is it important to have more skilled labor in our state? Yes. But it is equally important to have more college-degree holders. That is why Governor Doyle has made growing high income jobs and "brain gain" two core elements of his "Grow Wisconsin" program. I look forward to working with the Governor and his administration to achieve these objectives.

Just from a selfish vantage point from the state's perspective, it stands to reason that if the average per capita income goes up in Wisconsin, the greater the tax base will be. This, in turn, will allow two things to happen - first, the overall tax burden on individuals can be lowered, and second, there will be more money available to provide the state services, including affordable public higher education, that citizens want and need. If we cannot improve this equation, we will continue to struggle as a state with budget deficits, higher fees and elimination of services.

So what have I heard as I've traveled the state and talked to people these past two weeks?

- Brain Gain as a high priority. Wisconsin citizens want to make sure that they and their children have access to affordable public higher education.
- Strong support for the priorities the Regents have articulated in their budget request to the Governor.
- A sense of dedication and enthusiasm among our faculty and staff for their roles in teaching, public service and research.
- A mandate for us to be more outspoken about our budget priorities and why the public should support them.
- Recognition that the university is a vital element in the state's economic engine.
- A sense that we need to work harder to improve our relationships, especially at the state level.
- A concern about the future of the state should we be unsuccessful in turning around the financial slide of the past few years.

I was delighted to read in Sunday's *Wisconsin State Journal* that, according to the U.S. Department of Labor, Wisconsin has added 48,800 jobs this past year - the most new jobs of any state in the Upper Midwest. Among those were 19,500 "high-wage" jobs - positions in finance and other professional business services that I'm sure our campuses across the state have helped to generate, and their graduates have helped to fill.

Another recent report from UW-Madison's Center on Wisconsin Strategy (with the highly appropriate acronym, "COWS") noted that Dane County alone has added about 5600 jobs in education and technology fields. I am certain that the presence of UW-Madison and Madison Area Technical College has helped foster that growth.

With this has come other good news from our state revenue forecasters. According to the Department of Revenue, Wisconsin tax revenue increased 5.3 percent in 2003-04, and the state will take in about \$70 million more than was forecast. The UW System seems an excellent place to invest some of that growth.

So how will this landscape and what I've learned in my recent travels shape my priorities as president in the months to come?

I'd like to share just three or four areas that I believe demand my immediate energy and commitment. In all of these endeavors, I will be working closely with you, our Regents, with the Chancellors and with our university officers and staff statewide.

First, students first! That was a strong theme of the Regents' budget.

I intend to pay a lot of attention to our students and prospective students. We are, after all, in the business of teaching and learning, and our clientele represents not only the more than 160,000 students enrolled at our 26 campuses, but many other nontraditional students who are receiving instruction and assistance through UW-Extension and other programs.

Brain Gain is a top priority for me and that begins with students. I intend to be very outspoken on the opportunities afforded by a college degree. I will work with Regent Burmaster, in particular, to make sure that college is a viable, recognized option for our high school graduates.

Another concern is that the wage gap between blacks and whites in Wisconsin continues to increase. That is why we must continue to pay special attention to lower-income students and students of color. And it isn't a matter, of course, of simply recruiting them, we must give them the tools they need to stay in school and be successful.

It was suggested to me by UW-Whitewater's student leadership that I consider meeting with the student leaders from campuses around the state, and I will seek that opportunity, after discussing how best to do this with my colleague chancellors. I also want to maintain our close working relationships with United Council - Stephanie Hilton and her colleagues do a terrific job of representing student interests and articulating the challenges students are facing.

At the same time, I plan to meet more regularly, in person and by teleconference, with the student media so that they have more direct access to me and develop a better sense of how their campus issues fit into larger university priorities. I want to hear directly from them about their concerns, as well.

I feel an obligation to do this because where once students paid about a quarter of their instructional costs, they are now paying close to half those costs, as a direct result of the loss of state tax dollars. I'm also mindful that students represent our greatest contribution to the state's economy. We graduate more than 29,000 students annually, and more than 80% stay and work in Wisconsin.

So, students are a number one priority.

A second, and related, priority is to be more transparent in how we operate. I believe that the UW System is a "black box" to a lot of Wisconsin citizens - indeed, to most of our own employees and students in some ways.

I want to demystify the UW System - to communicate what we do, how decisions get made, why decisions are made, and how we stand accountable to our own internal audiences, as well as the citizens of the state. I intend to eat a lot of "rubber chicken" over the coming months as I talk about the UW and our priorities. I pledge to be open and forthright with our colleagues in the press. I will hold regular sessions with our higher education reporters to discuss what's on my mind, and theirs. I also will visit with editors, radio talk show hosts, and media leaders as I travel around the state, joining with our Chancellors and Regents who routinely do this in their local areas. So we'll have a series of what I'll call "Running Conversations with Reilly." I'll make that literal occasions by inviting reporters to join me for a jog. They'll have four miles of unfettered, heavy breathing access to the President! So if in the coming year our friends in the fourth estate appear notably more buff, you'll know why!

At the same time, we will make our Regent meetings more accessible to the public by providing streaming audio of full-board discussions, much like that provided by the legislature when it is in session. In fact, we are starting with this meeting today, and we will provide audio coverage over the Internet of tomorrow morning's full board meeting as well. This will enable people across the state to hear the business of the Regents as it unfolds from meeting to meeting.

A third priority of mine, not unrelated to the first two, is to focus on efficiency. After all, the greater our administrative efficiency, the more dollars available to serve students, perform public service or conduct much need research to improve our quality of life - and the more transparent we will be.

I must credit Katharine Lyall because as president, she took great strides to trim administrative fat and make this system both accountable - and by all national measures, the most efficient in the nation.

But that doesn't mean we can't do more.

Budget cuts over the past three years have forced us to be more efficient - we have lost 20% of our state fleet cars since 2002, we are spending significantly fewer state dollars on travel and advertising, and we have eliminated state-supported administrative positions throughout the UW System.

But accomplishing the ambitious goals we have set for ourselves in the state's present funding climate will call for some fresh thinking and new approaches.

As a start, I have asked Harry Peterson, the former president of Western State College in Gunnison, Colorado, to conduct a study of the UW System Administration, comparing our structure to that of other institutions. He will suggest ways in which we might better and more efficiently organize ourselves to best serve our campuses and the board. I am delighted that Harry is available to conduct this study over the coming two months, as he knows the UW System very well. He served as Donna Shalala's chief of staff in the late 1980's and most recently served as the Interim Dean at UW Sheboygan. He also has

system experience, having been the Vice Chancellor of the MNSCU system as that merger was being completed in Minnesota. I look forward to Harry's report and I invite anyone with ideas or comments on this process to contact him directly.

In addition, I have also asked both the interim chancellors at UW Colleges - Margaret Cleek - and UW-Extension - Marv Van Kekerix - to work with their colleagues to find ways that we can increase administrative efficiencies between these two unique institutions,. This will in no way jeopardize access to our two premier statewide access institutions, but rather will investigate how their administrative offices in Madison might work together to achieve greater efficiencies. Margaret and Marv will deliver the results of their study to me in two months.

Finally, I will work with our Chancellors to continue to seek ways in which we can share resources and talent to identify best practices, and to make our resources go further.

And, by the way, I don't see this confined to our own campuses - there are synergies to be realized working with the Wisconsin Technical College System, as our joint committee on baccalaureate degree expansion will suggest as it completes its work later this fall. I want to thank Regents Pruitt and Smith for dedicating much time and energy to this effort.

Finally, our Charting the Course study identified a number of efficiencies in our operation that I will pursue vigorously with my colleagues at the other end of State Street. If there are cheaper and better ways to run the university, we and the state should embrace them. We owe it to Wisconsin taxpayers to be as thrifty with their dollars as they themselves would be.

I am pleased to note that the Governor will attend tomorrow's Regent meeting to receive his official copy of our Charting Study, to help us usher in the new academic year, and to comment on the work that we must do for the state together. I have also had conversations with several state legislative leaders and have invited them to sit down with me and our Regents and Chancellors, either at one of these meetings, or more informally to discuss their agendas for the state and how the university might address them.

One of our agendas must be maintaining our leadership in academic research, especially at the UW-Madison, but including all the institutions. We will see an example of that tomorrow morning when UW-Madison researcher Jeff Johnson joins us to talk about his work on Alzheimer's disease.

When we attract federal and private funding for research, education and public service, we are not only doing good work and improving the quality of life, we are creating good paying jobs for Wisconsin - that is an important element of the Brain Gain equation. For the most recent fiscal year, our gifts, grants and contracts have exceeded one billion dollars. This is a great cause for pride, but we cannot take it for granted. It is imperative that we remain competitive in this area - and that means, again, maintaining competitive faculty and staff salaries.

In conclusion then, I do come before you in my first Regents' meeting as President "fired with enthusiasm." I am very optimistic about the future of the university and this state because we have a lot going for us - and we have a lot of champions who want to help

us. If you could read all the letters, cards, and emails I've received on my appointment, you'd be convinced of that too. I believe in what we stand for: opportunity for Wisconsin's citizens and Wisconsin communities. We are in the "human potential" business, and it is our job and privilege to help our citizens realize their dreams for themselves and their families.

It is a good business to be in, and a good time to be in it. As we begin our new academic year, we start another year of teaching, learning and discovery with a positive energy that should always characterize such "commencements." It puts me in mind of a former professor of mine who, in his farewell to graduating seniors years ago, put it this way:

"Teaching belongs to the active life - specifically to that activity which is the overflow of thought and contemplation. It is the speaking of truth to young men and women who will rebel against it as formulation, and grow upon it as mystery."

This academic year, I wish all of our teachers and learners and discoverers useful rebellions and productive plumbing of mystery - and to them, I pledge my energy, advocacy and support for their efforts.

Thank you. I'd be happy to answer any questions you might have, or hear your reactions to the priorities and themes I've laid out here.

Observing that efforts to reach out to non-traditional students is a message that resonates well throughout the state, Regent Walsh asked what needs to be done to promote this initiative.

Noting that Wisconsin ranks 31st among states in the percentage of adult population enrolled in degree programs, President Reilly commented that Wisconsin can and should do a lot better. In that regard, he had spoken with Senior Vice President Marrett and with Regent Pruitt and Regent Smith about their work on the Committee on Baccalaureate Expansion, which has a special focus on better serving the working adult population.

There are three matters that he believed need to be considered:

- Constructing and offering curricula that are accessible and attractive to working adults. Those curricula may need to have structure and requirements somewhat different from programs offered to traditional students.
- Delivering courses electronically and in the evening and on weekends when working people can come to campus and having student services available at those times.
- Developing sophisticated means of looking at prior learning that adult students might bring to programs and evaluating whether it is equivalent to traditional classroom learning.

He indicated that impediments to these efforts are largely budgetary. With large budget cuts, campuses focus more tightly on the traditional-age students that are their main population; and non-traditional students get less attention.

Regent Axtell encouraged President Reilly to call on regents for help in moving forward with his priorities. He asked what can be done to promote financial aid as the top priority.

President Reilly replied that there is much sympathy among elected leaders for the university's need to advance that priority, and they are pleased that it is a key element of the board's budget request. He found a broadly-held conviction among elected representatives that the state cannot afford to have a public higher education system that is affordable only to students who come from fairly well-to-do families and recognition that talent and enterprise do not reside only in families who have larger amounts of money. He thought that he and the board would need to continue to make the case that students from the two lowest income quintiles are being lost and the way to reverse that trend is through the budget proposal on financial aid.

Regent Olivieri commented that the university is straining to meet the needs of traditional students and that the focus should continue to be on serving those students. He thought that service to non-traditional students should be done in collaboration with the Technical Colleges.

While he agreed that budgetary conditions impeded more service to non-traditional students, he also thought that non-traditional students require more accommodations to meet their needs than do campus-based traditional students. Therefore, more service to adult students would be a challenge, both in terms of budget and in terms of willingness to change how things are done. One area to target, he pointed out, would be attracting non-traditional students to health care programs where there are shortages of workers. However, academic requirements for these programs have been increasing, making it harder for students to obtain degrees.

President Reilly observed that there may not be a sharp line between traditional and non-traditional students, particularly in cases like adult students transferring from the Technical Colleges.

Noting that she also considered adults who had been in the workforce and are returning for masters degrees to be non-traditional students, Regent Connolly-Keesler commented that this is a large population that should be served. She did not think the focus should be limited to traditional undergraduate students.

Regent Davis commended President Reilly for the priorities that he had set forth. With regard to putting students first, she observed that students should respond to his willingness to provide access and openness with willingness be supportive and to help

find ways to do what is in the best interest of students. She also expressed agreement with his focus on being more transparent and on being more efficient.

The discussion concluded and the meeting was adjourned at 11:45 a.m., on motion by Regent Pruitt, seconded by Regent Davis.

Judith Temby, Secretary