



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

February 2, 2005

REVISED

TO: Each Regent

FROM: Judith A. Temby

A handwritten signature in blue ink, appearing to read "J. A. Temby".

PUBLIC MEETING NOTICE

RE: Agendas and supporting documents for meetings of the Board and Committees to be held at UW-Madison on February 10 and 11, 2005.

Thursday, February 10, 2005

10:00 a.m. -

- Governor's 2005-07 Biennial Budget
- President's Efficiencies and Report to the Joint Audit Committee
- Discussion of and action on consolidation of administrative operations of UW Colleges and UW-Extension, and authorization to recruit a Chancellor for UW Colleges and UW-Extension
[Resolution A]

1820 Van Hise Hall
All Regents Invited

12:00 p.m. - Box Lunch

12:30 p.m. -

- Plan 2008: Educational Quality Through Racial and Ethnic Diversity - Phase II

1820 Van Hise Hall
All Regents Invited

1:30 p.m. - Committee meetings as follows:

Education Committee

1820 Van Hise Hall

Business and Finance Committee

1920 Van Hise Hall

Physical Planning and Funding Committee

1511 Van Hise Hall

Friday, February 11, 2005

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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Office of the President

1720 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin 53706-1559
(608) 262-2321
(608) 262-3985 Fax
e-mail: kreilly@uwsa.edu
website: www.wisconsin.edu

February 1, 2005

Senator Carol A. Roessler
Representative Suzanne Jeskewitz
Co-chairs, Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Roessler and Representative Jeskewitz:

In its September 2004 report on University of Wisconsin System staffing, the Legislative Audit Bureau (LAB) recommended that "UW System report to the Joint Legislative Audit Committee by February 1, 2005, on its administrative staffing and service delivery costs by institution and provide specific proposals to reduce administrative expenditures and increase operating efficiencies in the 2005-07 biennium." The enclosed report is submitted in response to this recommendation. I welcome the opportunity to communicate our progress.

While this report does not include every efficiency measure we have achieved, it does provide a good representation of more than 250 efficiency measures (\$1.3 million) and 225 administrative position reductions (\$13.7 million), with annual savings of nearly \$15 million. The savings are being reallocated to instruction and other high-priority areas. The report describes an additional \$2.1 million in annual savings I believe we can achieve through specific initiatives in UW System Administration, UW Colleges, and UW-Extension, including the elimination of a vice president position and my recommendation to the Regents that we eliminate a chancellor position.

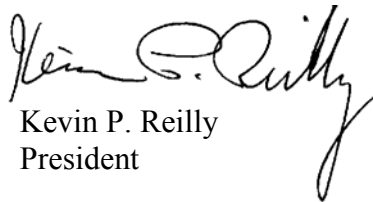
As you will observe, the UW System is continually evaluating the way it does business, reviewing all aspects of the university's operations, from reducing the length of time it takes students to earn baccalaureate degrees to improving electronic data storage. My colleagues and I are committed to finding more ways to improve efficiency and effectiveness.

The LAB recommendation focused on future operating efficiencies, and our report highlights prospective changes in several areas, including capital budget and procurement. We have the lowest institutional support expenditures among our 18 peer institutions in the United States, and we want to build on that record of efficiency.

Senator Roessler and Representative Jeskewitz
February 1, 2005
Page 2

We look forward to working in partnership with the Legislature and the Governor to achieve as many operating efficiencies as possible. Several administrative initiatives in the UW System 2005-07 budget request could yield potential savings of an additional \$21.6 million annually. As I noted in September, we are dedicated to providing access to all qualified Wisconsin students at an affordable price, to maintaining the quality of our education and services, and to assisting the state in stimulating economic development and ensuring Wisconsin's future prosperity.

Sincerely,



Kevin P. Reilly
President

Enclosure

cc: Joint Legislative Audit Committee members
Governor Jim Doyle
Senator Sheila Harsdorf
Representative Robin Kreibich
State Auditor Janice Mueller
Legislative Fiscal Bureau Director Bob Lang
Board of Regents
UW Chancellors



**University of Wisconsin System
Response to September 2004 Legislative Audit Bureau
Recommendations on UW System Staffing**

February 1, 2005

Report Highlights

- The report identifies 225 administrative position reductions and more than 250 efficiency measures that will provide an estimated annual savings of \$15 million (see especially pages 3, 8, and the Appendix).
- UW System President Kevin Reilly is implementing several administrative and organizational changes that will save an estimated \$2.1 million annually. Efficiencies include eliminating positions and units within System administration and recommending to the Board of Regents that UW Colleges and UW-Extension report to a single chancellor (pages 1-2).
- The UW System's undergraduate instructional cost per student (CPS) model is a reliable representation of what it costs UW institutions to educate students (page 5).
- The UW System is increasing its effectiveness and efficiency in academic services, while enrollments are up and the number of faculty is down, reducing the average credits to degree from 145 to 136, which represents savings of more than 168,000 student credit hours, equivalent to opening up more than 11,000 FTE enrollments (page 7).
- The UW System is encouraging faculty entrepreneurship through more than 100 marketplace discoveries disclosed through WiSys, a Systemwide non-profit foundation (page 7).
- Examples of efficiencies achieved through common administrative functions include:
 - An electronic application that automatically updates student accounts and eliminates manual updating – online applications have grown from 7,331 in 1997-98 to 104,738 in 2003-04 (page 9).
 - An electronic library that all UW institutions can share (page 9).
- The Board of Regents' 2005-07 biennial budget request recommends a number of strategies that would require legislative assistance to improve the UW System's operating efficiency and save more than \$21.6 million annually. An example is:
 - Saving as much as \$20 million annually by streamlining the capital building process to avoid inflation and other process-related costs (pages 9-10).

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I. Introduction

The University of Wisconsin System submits this report in response to the Legislative Audit Bureau's September 2004 recommendation that "UW System report to the Joint Legislative Audit Committee by February 1, 2005, on its administrative staffing and service delivery costs by institution and provide specific proposals to reduce administrative expenditures and increase operating efficiencies in the 2005-07 biennium." Efficiencies are the primary emphasis of this document. The report addresses: UW System President's initiatives, administrative staffing, service delivery cost issues, and academic and administrative initiatives for improving operating efficiency. This report also includes a brief update in response to the three other recommendations contained in the LAB report.

II. UW System President's Initiatives

I remain confident that ours is the most administratively efficient public higher education system in the nation. Nevertheless, we can never lose sight of our goal to be as resourceful as possible, while at the same time maintaining our effectiveness in service to our students, the UW institutions, and the State of Wisconsin.

In this regard, I have devoted much of my initial five months as president toward strategically aligning administrative structures and personnel to best meet the demands on the UW System's teaching, research, and public service missions. Reducing administrative costs is a means, not an end, and if we simply reduce costs without being attentive to service and mission, then we will have failed.

I am also aware of the significance of leading by example. I began by eliminating the UW System President's Inaugural event, and the first of our restructuring studies focused primarily on administration and services at UW System Administration. This study, along with a much broader analysis of consolidating administrative functions between the UW Colleges and UW-Extension, have prompted me to put forward the following strategies and savings:

UW System Administration

- Eliminate a vice president for university relations.
- Eliminate a state relations position.
- Restructure university relations functions.
- Convert an associate vice president for policy analysis and research to an assistant vice president.
- Change a senior vice president for administration to an executive vice president.
- Eliminate the market research unit.

TOTAL estimated annual savings: \$650,000

UW Colleges and UW-Extension

- Propose to the Board of Regents in February 2005 that there be a single chancellor for the two institutions.
- Finalize a study that identifies cost savings and efficiencies to be achieved through consolidating the central administrative offices of UW Colleges and UW-Extension.

- Direct UW Colleges and UW-Extension to move forward on consolidating administrative services while the search for a single chancellor proceeds, pending Regent approval.
- Require UW System Administration to study selected administrative services that could be consolidated with UW Colleges and UW-Extension.

TOTAL estimated annual savings: \$1,500,000*

TOTAL of all savings from these initiatives: \$2,150,000 annually

Additional administrative restructuring will be accomplished in the future, with savings reallocated to instruction and other direct services to students, faculty, and the communities we serve. In all that we do, we will remain committed to adding value to the teaching, research, and public service missions of our institutions, to fueling the state's economy, and to strengthening Wisconsin's quality of life.

III. Administrative Staffing

In slightly more than a generation, state tax support for the University of Wisconsin System has gone from almost 50 percent of the total UW System budget (1973) to slightly above 25 percent (2004-05). Over the past 15 years, the UW System has reduced the number of staff positions funded with state tax dollars, while increasing the number of non-state-funded positions. In the 2003-05 biennium, the university sustained a \$250 million cut, the largest in its history, following a \$50 million cut the previous year. Since staffing costs represent 75 to 80 percent of UW System's operating costs, these types of funding reductions have a significant impact, not only on our staffing, but also on our service to students.

Detailed information about recent UW System staffing reductions, and the role of administrative positions, follows.

A. Staffing Reductions

To manage state funding cuts while satisfying increased demand for our services, the UW System has made major changes in its operations and service delivery, including reductions in administrative staff. Table 1 is a summary of the approximately 225 administrative positions UW institutions have eliminated in the past few years alone, the majority in response to state funding reductions. Included in this number were several senior management positions at the campus level, including an Assistant Chancellor for Administration, Assistant Chancellor for Advancement, Assistant Vice Chancellor for Information Services, Assistant Vice Chancellor for Enrollment Management, and Assistant Vice Chancellor for Library. In some cases, their duties were re-assigned to several individuals, with the tasks being performed at a reduced level. Total annual savings from position reductions are approximately \$13.7 million.

* From Dr. David J. Ward's report on "Opportunities for Consolidation of Administration Between the UW Colleges and UW-Extension," January 14, 2005. Additional savings will accrue from undertaking only one chancellor search and from progress on consolidating administrative services.

**Table 1: UW System Institution-Eliminated Administrative Positions
and Associated Annual Salary and Fringe Benefit Reductions**

POSITION LEVEL	PRE-FY 2003		FY 2003		FY 2004		FY 2005		TOTAL SAVINGS
	#	\$	#	\$	#	\$	#	\$*	
Executive	4.0	437,668	1.0	156,000	6.5	786,317	1	141,350	1,521,335
Mgt.	9.5	950,942	6.5	555,269	25.6	2,262,316	6	558,008	4,326,535
Support	22.0	1,017,098	49.1	2,446,301	92.0	4,157,067	4	191,881	7,812,347
Total	35.5	\$2,405,708	56.6	\$3,157,570	123.1	7,205,700	11	\$891,239	\$13,660,217

*Projected through end of fiscal year.

In many cases, eliminating administrative positions had an impact on students and faculty. Some examples of the impact of these reductions on various UW institutions include:

Student Services:

- Reduced academic and career counseling services.
- Backlog in processing student applications, especially transfers.
- Reduced access to student computer labs due to shorter operating hours.
- Less time spent recruiting non-resident students, who pay more than the cost of their education and thereby subsidize resident students.
- Slower responses to student registration, records, and financial aid requests.

Academic Support:

- Reduced library hours and access.
- Reduced outreach to adult learners and services to Extended Degree students.
- Fewer technology initiatives to support faculty in the classroom.
- Reduced ability to recruit and support international students.
- Less support for faculty research assessment and research design, reducing the chance of having faculty work published or grants funded.
- Reduced technical support for distance education programs.

Institutional Support:

- Reduced ability to manage risk and liability issues.
- Slower processing of orders, bidding, and purchasing responsibilities.
- Inability to complete routine campus audits and management reviews.
- Reduced cashiering services.
- Reduced service quality for conference center program attendees and visitors.
- Lessened ability to secure outside funding and support to partially offset cuts in state funding.

We will continue making changes based on careful analysis to minimize the negative impact of administrative cost reductions.

B. Educational Role

The UW System's framework for considering administrative staffing is somewhat different from LAB's. The LAB report indicated that the UW System had 31,972 filled positions at the time of the March 2004 payroll. Using its own method of classification, LAB identified 8,038 administrative positions, which represented approximately 25 percent of all UW System staff and 15 percent of UW System operating expenditures.

Two aspects of the LAB methodology warrant further clarification. First, the vast majority of the identified positions are not upper-management positions; and second, even positions with administrative titles frequently perform educational functions. A few examples:

- *Core mission* – LAB included positions from admissions, student affairs, career planning, counseling, financial aid, university housing, and other core student services directly related to the UW System's educational mission. This approach categorizes many positions that provide direct services to students as administrative, and in that regard varies from standard practice at universities around the country. Creating the educational environment students have come to expect requires that we offer and deliver services away from the classroom that are essential in the day-to-day lives of our student constituents.
- *Clerical positions* – LAB included 3,515 program assistant (clerical and secretarial) positions, representing nearly 44 percent of all identified administrative positions. Program assistants often provide direct services to students and faculty. They may coordinate guest speakers or student conferences; support faculty use of technology; or assist students who are gathering information about program options, completing academic forms, or assembling portfolios.
- *Supervisors* – Supervisory staff, defined as administrative by the LAB methodology, also perform non-administrative functions. For example, financial aid directors at the smaller campuses work directly with students during the application process. Other "administrative" staff also work directly with students, such as the assistant dean at one campus, who teaches a class and advises students.

While the definition of administrative staff is a subject for continued discussion, the UW System remains committed to working with LAB, the Legislative Fiscal Bureau, and the state Department of Administration to develop a practical reporting model for all UW System positions.

IV. Service Delivery Costs

The LAB report discusses the variation in operating costs across the UW institutions. The UW System is continually striving to analyze operating costs with an eye toward efficiency. The UW System's Cost Per Student (CPS) model has been in use since 1971, and in the past six months, both LAB and UW-Green Bay have provided alternative models:

- *LAB model* – LAB calculated that operating costs per full-time-equivalent (FTE) student ranged from \$8,981 to \$28,659 for 2002-03. The LAB model essentially divided the campuses' annual expenditures by the number of FTE students, excluding all research expenditures, student loans, and the UW-Madison Athletic Department. LAB included all other campus costs, including expenditures for housing, parking, and other activities that are not supported by state funds or tuition. These other activities can distort student-cost comparisons among the UW institutions.
- *UW-Green Bay model* – The UW-Green Bay model, "Instructional Funding per Student," combines tuition, student fees, and general purpose revenue (GPR) and divides that total by the number of FTE students. It shows a range of \$6,521 to \$18,010 in funding per student for 2003-04. This model, too, has its shortcomings, because it includes state support for functions not directly related to instructing students, such as research and public service.
- *UW System model* – The UW System's CPS model measures the costs of educating students and excludes non-instructional programs. The CPS is a complex calculation that takes into account student grade levels – freshman and sophomore, junior and senior, graduate, doctorate, law, medical, and veterinary. The model uses the GPR/fee budget. It excludes program revenue, auxiliary enterprises, public service, farm operations, research, and financial aid. The majority of institutional support and physical plant costs are included, as they relate to the educational mission of the university. Table 2 shows cost per undergraduate student for the doctoral and comprehensive institutions and UW Colleges, using the CPS model.

**Table 2: University of Wisconsin System
Undergraduate Instructional Cost Per Student**

UW INSTITUTION	2002-03	2003-04	2004-05
<u>Doctoral Cluster</u>			
Madison	\$9,593	\$9,566	\$10,060
Milwaukee	9,180	8,911	8,782
<u>University Cluster</u>			
Eau Claire	7,813	7,556	8,076
Green Bay	8,074	7,944	8,327
La Crosse	7,410	7,276	7,955
Oshkosh	7,563	7,303	7,614
Parkside	9,260	8,989	9,440
Platteville	8,781	8,335	8,643
River Falls	7,871	7,709	8,249
Stevens Point	8,051	7,944	8,397
Stout	8,310	8,002	8,735
Superior	9,924	9,506	10,172
Whitewater	7,403	7,223	7,518
<u>Colleges</u>	6,677	6,454	7,002

This model is used consistently in the negotiations on the Minnesota Reciprocity Agreement, as well as by the Legislative Fiscal Bureau in its budget analysis. As the table shows, the CPS model results in a substantially narrower range in cost per student across UW institutions than the other models, \$7,002 to \$10,172 in 2004-05. The detail and complexity of this model enable it to best represent the true cost of instructing students at UW institutions.

Regardless of which model is applied, cost-per-student differences can be attributed to several factors. Some examples are:

- *Economies of scale* – Each institution has certain fixed costs regardless of its size; therefore, institutions with smaller enrollments are likely to have a higher cost per student.
- *Differences in instructional levels* – Institutions with more FTEs enrolled at the junior and senior levels may have a higher cost per student than institutions with more freshman and sophomore enrollments.
- *Programmatic differences* – The programs an institution offers affect its cost per student. An institution offering engineering or nursing may have higher costs than those offering more liberal arts programming.
- *Changes in GPR or fee funding* – Changes to an institution's funding levels for specific programming, student-supported differential tuition levels, and other initiatives result in changes to its cost per student.

The UW System is regularly monitoring the operating and instructional costs at its institutions, identifying and analyzing the reasons for any significant differences.

V. Improving Operating Efficiencies and Reducing Administrative Expenditures

We continually evaluate the way we do business, reviewing all aspects of the university's operations, from academic programs to administrative systems. UW System enrollment continued to grow due to demand during our 2003-2005 budget cuts. We continue to look for new ways to improve our processes as we fine tune our existing operations. This section of our report provides an overview of some of our efficiency initiatives, in both academic and administrative areas, and also describes items in our budget request that can improve efficiency.

A. Academic Initiatives

Examples of efforts to improve academic efficiency include:

- *Expanded learning opportunities through distance education* – More than 900 courses are offered systemwide, with more than 23,000 students participating. Many of our distance education programs offer online degrees in high-demand areas, such as nursing and business administration. Distance education courses enable place-bound students to avoid the costs of commuting to a campus, or losing time at work, as they pursue their degrees.

- *Collaborative programs* – Collaborative course offerings among UW institutions have grown significantly. For example, the UW System Collaborative Language Program provides critical language instruction at UW institutions currently unable to support these offerings on their own; eight institutions participated in 2003-04, and enrollment has grown from 98 students in fall 1998, to more than 240 students in fall 2003. In another instance, the Internet Business Consortium MBA Program, shared by four UW institutions, has served more than 1,800 students since 1998.
- *Retention and graduation* – Since the early 1990s, the UW System's retention and graduation rates have been approximately five percentage points above the national average. Retention to the second year is a strong predictor of college completion. UW System completion rates have increased over the past decade, with the biggest gains occurring in the proportion of freshmen graduating within four years, rather than five or six. As more students finish within four years, they pay tuition for fewer semesters and improve access to the university by freeing up space for other students.
- *Credits to degree* – In 1995, the UW Board of Regents recognized that many students were taking credits in excess of program requirements, affecting the total number of students the university can enroll. The average number of credits students earned before obtaining a bachelor's degree was 145 in 1993-94. Average credits to degree had decreased to 136 by 2003-04. The average reduction of nine credits represents a savings of more than 168,000 student credit hours, equivalent to opening up more than 11,000 FTE enrollments.
- *UW-Milwaukee (UWM) College Connection* – A collaborative bachelor's degree program that involves UW-Milwaukee and participating UW Colleges campuses, the UWM College Connection is structured so students can earn their bachelor's degrees from UW-Milwaukee without ever leaving their UW Colleges campus. Students do not need to travel or relocate, and UW-Milwaukee saves classroom space for use by on-campus students.
- *WiSys Technology Foundation* – The non-profit WiSys Foundation works to bring to the marketplace discoveries from all UW System institutions, in the same way that the Wisconsin Alumni Research Foundation serves UW-Madison. This foundation exemplifies the entrepreneurial spirit of our UW institutions. UW System institutions have made over 100 disclosures through WiSys, illustrating the significant research that occurs beyond the Madison campus.
- *Transfer of credits* – The UW System and the Wisconsin Technical College System (WTCS) have been working collaboratively on transfer issues and have made significant progress on improving credit transfer opportunities. Examples of these enhancements include the number of WTCS general education credits eligible for transfer increasing from 25 to 30; WTCS occupational/technical courses becoming eligible for transfer on a course-to-course basis; and WTCS students earning the newly aligned Liberal Arts Associate Degree being allowed to transfer up to 72 credits and satisfy the general education requirements at any UW institution.

B. Administrative Initiatives

Individual UW institution and systemwide efforts have contributed to administrative efficiency:

1. Institution-Level Initiatives

UW institutions have identified more than 250 administrative efficiency projects that will result in total annual savings exceeding \$1.3 million. Automated degree and enrollment verification, centralized copying and printing operations, consolidation of library materials at fewer sites, and implementation of procurement cards are only a few examples of efficiency gains. Many of the initiatives involve streamlining business practices through the use of greater automation or technology. For example, online registration, advising, and grading systems have reduced operating costs, while improving both staff productivity and service quality.

The appendix provides more detail on some of the administrative efficiencies campuses are achieving. Many of the initiatives have been adopted at multiple UW institutions.

2. Systemwide Initiatives

The Board of Regents' 2004 "Charting a New Course for the UW System" study recommended internal operating processes, enhanced technologies, and statutory changes that would improve operating efficiencies. The report made 27 recommendations, many of which focus on efficiency, with the goals of maintaining access and affordability, maintaining quality, educating the state's citizenry, and stimulating economic development. Administrative areas that were identified as "targets of opportunity" for efficiency included management of: 1) funds associated with auxiliary operations, such as student unions; 2) human resources; 3) travel; 4) purchasing and contracts; 5) information technology; and 6) risk and liability. We have made progress in two of these areas, in particular, and expect to recognize savings and improved efficiency in the coming year:

- *Purchasing and contract management* – The UW System is increasing its use of strategic sourcing to leverage the purchasing power of UW System institutions. Strategic sourcing is a business practice that has resulted in significant cost savings for many organizations. A UW System paper, prepared in 2004, identifies the components of a successful strategic sourcing initiative and serves as a preliminary step for identifying opportunities to improve the UW's procurement process.

We have reactivated the UW Purchasing Council, a group that represents purchasing directors from UW institutions and UW System. The council's plans include: 1) annually identifying new opportunities for developing common procurement initiatives across the UW System; 2) identifying procurement business processes that can be improved, such as streamlining contract forms and processes; 3) improving the collection and use of procurement data; and 4) identifying opportunities to share procurement resources between UW-Madison and other UW System institutions.

- *Risk management* – The UW System has been exploring the formation of an insurance captive as a method to expand coverage and, in the long term, potentially reduce the cost of insurance premiums to the university, which are currently more than \$10 million a year. This method can also help more proactively address areas of risk. Seven of the Big Ten universities use this tool to manage their risk financing. The UW System is teaming with the Department of Administration and other state agencies to conduct a feasibility study.

UW System supports reviewing a range of common administrative functions to determine whether the services could most efficiently be provided by individual institutions, by UW System, or through regional or other types of coalitions. Areas in which we are already making changes include:

- *Online application process* – Students can apply online and submit an electronic application to multiple UW institutions. The electronic application also automatically updates student accounts, eliminating manual updating. The number of electronic applications submitted increased from 7,331 in the 1997-98 application cycle to 104,738 in 2003-04.
- *One course management system (Desire2Learn initiative)* – UW System selected one common course management system, which reduced the number of software systems used throughout UW System. Desire2Learn allows students who may take courses from multiple institutions to be served without having to learn multiple systems, and using a common system reduces administrative support costs.
- *Library system* – All UW libraries use the same catalog system software, and have created an electronic library that all UW System institutions can share.
- *Shared administrative systems* – Since the mid-1990s, there has been a concerted effort to adopt common systems among the UW institutions, such as the Shared Financials System and the Student Administration System.

Ideas for restructuring additional functions could lead to cost savings in such areas as data warehousing, architecture, engineering, telecommunications, human resources, accounting, and audit. UW System will work with the UW institutions and the state Department of Administration to review these and other options for savings or greater efficiency. As part of this process, university provosts and chief business officers are also identifying principles for an overall administrative cost reduction plan.

C. Initiatives that Require Legislative Assistance

Several items in the UW System's 2005-07 biennial budget request can improve efficiency, with potential annual savings of \$21.6 million. For example:

- *Capital budget* – The State of Wisconsin could save as much as \$400 million over a 20-year period (\$20 million annually) by streamlining the capital building process to avoid inflation and other process-related costs. The types of changes needed, such as eliminating the enumeration requirement for cash-funded projects and allowing flexible bidding and project

management processes, will require administrative and statutory changes and approval by the Governor and the Legislature.

- *Procurement process flexibility* – UW institutions could save as much as \$600,000 per year if the Department of Administration (DOA) allowed all UW institutions to purchase office supplies through a contract developed by the Big Ten universities' Committee on Institutional Cooperation Purchasing Consortium (CICPC). DOA has allowed only UW-Madison to use the consortium contract; our biennial budget request would give us the ability to use CICPC contracts for additional UW institutions. Discussions are underway with DOA to determine how the university can best save money in this area through participation in such consortia and/or cooperation in statewide initiatives.
- *Assumption of cash management and investment responsibilities* – By using longer-term and more diversified investments, we could increase our investment returns by \$1 million annually. The UW System would reimburse the state for the interest it now earns.

We will be seeking legislative assistance and approval for these initiatives and others included in our 2005-07 biennial budget request.

VI. Other LAB Recommendations

Although LAB's fourth recommendation is the primary purpose of this report, we would also like to report on the status of the other three recommendations in LAB's report on UW System Staffing:

- *Periodic reports* – The first recommendation stated: "Provide the Legislature with complete periodic reports on executive salaries, fringe benefits, and cash and noncash compensation from outside sources." We will provide information annually on executive compensation from state and outside sources.
- *Accounting records* – The second recommendation stated: "Provide all University of Wisconsin institutions with guidance on coding contractual expenditures in their accounting records to ensure accuracy and consistency." We have instructed the chief business officers at our institutions to be sure they continue to follow the standards established by the National Association of College and University Business Officers when coding contractual expenditures.
- *Position reporting* – The third recommendation provided that the UW System "seek statutory changes to streamline and improve its position reporting to ensure accuracy, transparency, and timeliness in reporting the number and type of UW positions." The UW System is in discussions with the Legislative Audit Bureau, the Legislative Fiscal Bureau, and the state Department of Administration Budget Office about the myriad of existing reports, report content and frequency, and options for streamlining reporting to reduce administrative costs. Printing costs for the required reports currently total approximately \$2,000 per year in UW System Administration alone. We expect to seek the Legislature's support for any statutory

changes necessary to implement more meaningful position reporting at lower administrative cost to the university and the state.

The UW System remains committed to working on each of the recommendations in the LAB report.

VII. Conclusion

The UW System will vigorously evaluate its operations, identifying ways of serving Wisconsin citizens as efficiently and effectively as possible. As this report indicates, the UW System is, and has been, engaged in an ongoing process of assessing the ways in which we work and devising efficiency initiatives, both academic and administrative.

While enhanced efficiency often leads to improvements that are difficult to quantify, an estimated \$15 million in cost savings can be achieved through the current initiatives and administrative position reductions, with reallocated funds devoted to instruction and other high-priority services. The President's initiatives will add \$2.1 million in estimated annual savings through restructuring and other administrative changes. Improvements in the capital budget, procurement, and cash management processes could lead to an additional \$21.6 million in annual savings.

The UW System is committed to providing access to our institutions, preserving affordability, maintaining the quality of our educational services, and stimulating economic development. Working to achieve these goals will require a strong collaborative effort among the UW System, the Legislature, and the Governor in this and future biennia.

Appendix
Examples of UW System Institution Efficiency Initiatives

EFFICIENCY	INITIATIVE	BENEFIT
STUDENT SERVICES	Automated registration, advising, and grading services have been implemented at several institutions.	Greater workload capacity with minimal staff. One campus identified annual savings of \$10,000.
	Direct credit of financial aid at several institutions.	Improved student service by eliminating time delays and long lines to receive financial aid. One campus identified annual savings of \$63,000.
	Several institutions use an automated clearinghouse for financial aid refunds on student campus cards.	One institution has identified annual savings of \$12,000.
	Conversion of Perkins loan program.	ESCI provides billing, collection, and reporting services, saving 0.5 FTE.
	Development of an online advising system.	More efficient use of limited advisor time.
	Streamlined process for undergraduate admissions applications.	Quicker application processing and faster communication of decisions.
	Automated degree and enrollment verifications, outsourced to Student Loan Clearinghouse.	Improved processing by eliminating paper, reducing walk-in traffic, increasing convenience of third-party verification.
	Re-engineered division of student affairs; elimination of vice chancellor position, consolidation of positions.	Reduced central office staffing, streamlined network administration, greater efficiency and consistency of response.
	New student information system with integrated student information across the campus.	Better access to information and services for students, faculty, and advisors.
INSTITUTIONAL SUPPORT	Use of electronic billing rather than mailing bills to students at several institutions.	Annual savings of \$30,000 in postage and other costs and improved service through more accurate statements.
	Centralized copying and printing operations.	Reduced staffing, resulting in annual savings of \$40,000, while improving service.
	Electronic document imaging, storage, and retrieval.	Reduced paper costs, increased staff efficiency in accessing records, and reallocated storage space.
	Implementation of procurement card.	Purchasing staff can focus on more significant issues. One campus identified annual savings of \$1,000.
	Conversion of financial processing and data reporting functions to the Shared Financials System.	Greater flexibility in reallocating information technology resources.

EFFICIENCY	INITIATIVE	BENEFIT
INSTITUTIONAL SUPPORT	Contract for mail pick-up.	Institutions have realized cost savings and new revenue streams of up to \$23,600 annually.
	Integration of Affirmative Action into Human Resources Office.	Elimination of duplication of effort and data collection. Streamlined campus hiring process.
	Use of electronic earnings statements.	Reduced handling and distribution expenses.
	Campus-wide access to common technology tools.	Reduced paperwork due to systemwide software, such as PeopleSoft.
	Elimination of duplicate budget transfers into a separate database.	Annual savings of \$500 at one campus.
	Implementation of electronic time keeping.	Elimination of paper time sheets.
	Revised cash drawer processes.	Annual savings of \$5,000 from reducing student labor in counting cash drawer charge funds.
	Implementation of web-based campus budget system.	Automated calculation of fringe benefit transfers, saving \$25,000 and one FTE position.
	Reorganized a section in a budget office.	Annual salary savings of \$67,000.
	Streamlined process for filling office support positions.	Direct application on website eliminates the need for mass mailings.
	Reorganization and reassignment of duties in Financial Services offices.	Salary savings of \$25,000.
	Implemented e-commerce, replacing stores operation.	Reduced inventory space, ease in ordering commonly purchased goods, and improved delivery.
	Presentation of student account information on website.	Reduced paper, postage, and handling costs of up to \$500 and reduced staff time.
	Implementation of e-payment option for student accounts.	Reduced processing costs.
ACADEMIC SUPPORT	Creation of an online class schedule.	Annual savings of \$10,000 in production and distribution costs.
	Reorganization of academic colleges.	Reduced number of administrators, saving \$23,000 annually.
	Electronic distribution of reserved library materials.	Reduced staffing and space requirements.
	Implementation of a digital library at several institutions.	Ease of access to journals and books.
	Restructured Graduate School admissions process to maximize use of information technology.	Reduced processing time from several weeks to several days, and reduced staff time.

EFFICIENCY	INITIATIVE	BENEFIT
ACADEMIC SUPPORT	Consolidation of three library sites.	Reduced duplication of hard-copy journals or monographs, reduced staff time, and elimination of one position.
	Implementation of classroom scheduling software.	More effective use of facilities and reduced workload for faculty who scheduled facility use.
	Reorganized library administrative structure.	Reduced number of administrative positions and reallocated staff.
	Centralized administrative responsibility for Connections Program in Letters and Science and redesigned website.	Increased access for students and improved links between nontraditional students and advisors.
PHYSICAL PLANT	Reuse of 200 light poles.	Savings of \$300,000 in replacements and energy costs.
	Renovation of a residence hall.	Significant savings when compared to replacement costs.
	Implementation of a software program.	Greater efficiency through use of hand-held ticket writing instrumentation.
	Web-based facilities request.	Savings of \$5,000 annually.
	Creation of surplus item distribution list.	Faster and more targeted notification of surplus sales, resulting in annual savings of \$500.
	On-demand, instead of scheduled, facility cleaning.	Emphasis on cleaning public spaces. Many offices are cleaned by the occupant.
	Creation of a central maintenance staff pool.	Campus can leverage limited maintenance staff to meet highest institution-wide priorities.
	Institution of a campus-wide Maintenance Management System (CMMS).	System defines preventive maintenance scheduling and tracks cost, allowing allocation of limited resources for the highest priorities.
	Implementation of programmed lighting.	Annual savings of \$5,100 in utility costs.
	Training of staff to perform multiple trade functions.	Reduced staff in certain trades, such as plumbing, since other employees are trained to handle basic plumbing issues.
	Online fleet reservations.	Decreased need for phone calls and streamlined processing.
AUXILIARY SERVICES/ OTHER	Streamlined process for high school mailings and new database system.	Savings of LTE and student worker salaries of more than \$10,000.
	Card access to student residence halls.	Savings of \$50,000 in reduced night security and key replacement costs.
	Use of RA staff to assist with residence hall front desk duties.	Savings of \$75,000 annually through reduced need for student employees.

EFFICIENCY	INITIATIVE	BENEFIT
AUXILIARY SERVICES/ OTHER	Elimination of credit card payments for tuition, fees, and room and board and acceptance of automated clearinghouse payments.	Savings of more than \$200,000 in bank fees annually at one institution.
	Single vendor contract for all restaurant operations.	Several campuses have reduced costs, with one institution identifying annual savings of \$21,500.
	Use of video conferencing and conference calls for meetings and professional development efforts.	All institutions have reduced travel costs and increased employee productivity.
	Use of higher education bookstore consortium.	Savings have averaged \$21,000 over a two-year period.
	Revised DVD checkout process.	Savings of \$12,000.
	Consolidation of parking oversight duties with bookstore director position.	Savings of \$18,000.
	Reduced grounds and custodial crews and main-desk hours for residence life activities.	Student payroll reduced by \$100,000.
	Implementation of web-based permit application system.	Cost savings and reduced manual processing.
	Reduced need to build additional 1,200 parking stalls on campus by implementing a one-permit system and increasing use of current parking.	Significant savings in long-term debt service over the life of a parking ramp.
	Reorganized University Health Services, eliminating a deputy director position.	Reallocated funds to other positions.
	Developed online enrollment/payment system for student health insurance program.	Greater convenience for students, redirected staff time from data entry to customer service and eliminated contract fees of \$150,000.
	Implemented web-based application at student union.	Greater convenience for students and parents and increased deposit activity without added administrative costs.

Discussion of and Action on Consolidation of Administrative Operations of
UW Colleges and UW-Extension, and Authorization to Recruit:
Chancellor
UW Colleges and UW-Extension

BOARD OF REGENTS

Resolution A:

Whereas, in October, 2004 President Reilly commissioned a study that would examine opportunities for consolidation of the administrative operations of the UW Colleges and UW-Extension; and

Whereas, pending a report on the results of the study, President Reilly delayed proceeding with previously approved authorizations to recruit a Chancellor for UW Colleges and a Chancellor for UW-Extension; and

Whereas, there are many strong similarities between UW Colleges and UW-Extension, including that both institutions: (1) are statewide educational networks operating at geographically dispersed locations; (2) are key public gateways for Wisconsin citizens to access higher education; (3) have central administrative offices headquartered in Madison; and (4) have longstanding partnerships with county and local governments; and

Whereas, administrative consolidation between the two institutions should build on these similar ties to strengthen their capacity to reach new audiences in new ways, increasing thereby the number of university degree holders in communities throughout Wisconsin; and

Whereas, administrative integration between the two institutions has potential for reducing overall administrative costs by as much as \$1.5 million annually, while preserving and enhancing access and service to students, citizens, and clients; and

Whereas, based on the observations and options presented in the report of David J. Ward dated January 14, 2005, and follow-up discussions with affected partners and stakeholders, President Reilly recommends the recruitment of a single chancellor for UW Colleges and UW-Extension;

Be it therefore resolved:

That, UW-Extension shall have as its chief administrative officer the chancellor who is also appointed to serve as the chancellor of the UW Colleges; and

That, the UW Colleges and UW-Extension, under the direction of their single chancellor, are directed to integrate the administrative services identified in the report, and to continue to study additional means of achieving operating efficiencies in a manner that will most effectively preserve and enhance their identified institutional missions; and

That, to the extent that they are inconsistent with this resolution, Regent Policy Documents 82-3 and 88-5 are superseded; and

That, the President of the University of Wisconsin System be authorized to recruit for a single Chancellor of the UW Colleges and UW-Extension, at a salary within the Board of Regents salary range for university senior executive salary group three.

Request for Authorization to Recruit

Institution: University of Wisconsin-Colleges and University of Wisconsin-Extension

Type of Request: Chancellor Search

Official University Title: Chancellor

Description of Duties:

As Executive head of these respective faculties and institutions, the Chancellor is vested with the responsibility of administering Board policies under the coordinating direction of the President and is accountable and reports to the President and the Board on the operation and administration of the institutions. Subject to Board policy, the Chancellor of the institution in consultation with the faculty is responsible for: designing curricula and setting degree requirements; determining academic standards and establishing grading systems; defining and administering institutional standards for faculty peer evaluation and screening candidates for appointment, promotion and tenure; recommending individual merit increases; administering associated auxiliary services; and, administering all funds, from whatever source, allocated, generated or intended for use by the institution.

Recommended Salary Range: University Senior Executive Group 3
(Salary range for 2004-05 is \$168,622 to \$206,093)

Source of Funds: 102

Replacement Position for: William Messner and Kevin Reilly

Salary of Previous Incumbents: \$161,304 (Same salary for each)

Justification for the Salary Range:

Under Regent Policy 94-4 the Board adopted an executive salary range policy that the salary range midpoint be set at 95% of the peer median and the salary range calculated at 90% and 110% of the midpoint. Effective September 1, 2001, the statutes were amended by the 2001-03 biennial budget act (2001 Wisconsin Act 16) to give the Board of Regents authority to establish salary ranges for the chancellors. The salary range is the actual 2004-05 range approved by the Board of Regents, November 5, 2004

Approved by:

Kevin P. Reilly, President
February 10, 2005

Authorization to Recruit (Approved)(Denied)
By the Board of Regents on _____.

UW-Colleges and UW-Extension Chancellor Competitive Salary Information

2004-05 Senior Executive Salary Range Calculated in Accordance with Board of Regents' Policy:

2003-04 peer group median salary:	\$192,408
CUPA-HR projects 2.5% increase in 2004-05	<u>x 1.025</u>
2004-05 projected peer group median:	\$197,218
Executive salary policy cost-of living adjustment	<u>.95</u>
Regents Salary Range Midpoint:	\$187,357
Regents Salary Range Minimum (90%):	\$168,622
Regents Salary Range Maximum (110%):	\$206,093

2003-04 Peer Group Salaries:

Wright State University	\$282,658
University of Akron	\$281,011
Western Michigan University	\$250,000
University of Illinois-Springfield	\$230,625
Central Michigan University	\$229,230
University of Northern Iowa	\$226,519
Eastern Michigan University	\$222,000
Northern Michigan (was \$213,210)	vacant
Michigan Technological University	\$210,940
Western Illinois University	\$210,000
Northeastern Illinois University	\$210,000
Southern Illinois University-Edwardsville	\$209,454
Oakland University	\$204,495
Youngstown State University	\$203,520
Chicago State University	\$200,448
University of Michigan-Dearborn	\$193,003
University of Michigan-Flint	\$193,000
St. Cloud State University	\$191,816
University of Minnesota-Duluth	\$190,000
Grand Valley State University	\$184,700
Winona State University	\$182,894
Purdue University-Calumet	\$182,100
Minnesota State University-Moorhead	\$181,756
Minnesota State University-Mankato	\$181,116
University of Southern Indiana	\$179,200
Indiana-Purdue University-Ft. Wayne	\$179,100

Eastern Illinois University	\$173,004
Saginaw Valley State University	\$172,700
Bemidji State University	\$171,437

Ferris State University	\$165,000
Indiana University-Northwest	\$155,040
Indiana University-Southbend	\$153,000
Indiana University-South East	\$153,000

Mean	\$198,524
Median	\$192,408

UW System Non-Doctoral Institution Chancellor 2004-05 Salaries:

UW-Stout	\$174,434
UW-Eau Claire	\$173,525
UW-Stevens Point	\$172,500
UW-Green Bay	\$168,622
UW-Platteville	\$168,622
UW-Superior	\$168,622
UW-Parkside	\$168,622
UW-La Crosse	\$168,622
UW-Oshkosh	\$168,622
UW-Whitewater	\$168,622
UW-River Falls	\$164,686

Mean	\$169,591
Median	\$168,622

CONSOLIDATION OF ADMINISTRATIVE OPERATIONS OF UW COLLEGES AND UW-EXTENSION, AND AUTHORIZATION TO RECRUIT A CHANCELLOR

EXECUTIVE SUMMARY

BACKGROUND

In October, 2004, UW System President Kevin P. Reilly commissioned a study that would examine opportunities for consolidation of the administrative operations of the UW Colleges and UW-Extension. Pending results of the study, President Reilly delayed proceeding with previously approved authorizations to recruit a Chancellor for UW Colleges and a Chancellor for UW-Extension, both positions of which were filled by interim appointments. The commissioned study resulted in a report completed in January, 2005, and presented a variety of alternatives for consolidation.

Based on the observations and options presented in the report, and follow-up discussions with affected partners and stakeholders, President Reilly recommends the recruitment of a single chancellor for UW Colleges and UW-Extension. The UW Colleges and UW-Extension, under the direction of their single chancellor, are further directed to integrate the administrative services identified in the report, and to continue to study additional means of achieving operating efficiencies in a manner that will most effectively preserve and enhance their identified institutional missions.

REQUESTED ACTION

Approval of Resolution A, endorsing the consolidation of administrative operations of the UW Colleges and UW-Extension, and authorizing the recruitment of a single chancellor to lead both institutions, at a salary within the Board of Regents salary range for university senior executive salary group three.

DISCUSSION

There are many strong similarities between UW Colleges and UW-Extension, including that both institutions: (1) are statewide educational networks operating at geographically dispersed locations; (2) are key public gateways for Wisconsin citizens to access higher education; (3) have central administrative offices headquartered in Madison; and (4) have longstanding partnerships with county and local governments. Administrative consolidation between the two institutions would build on these similar ties to strengthen their capacity to reach new audiences in new ways, increasing thereby the number of university degree holders in communities throughout Wisconsin. Moreover, administrative integration between the two institutions has potential for reducing overall administrative costs by as much as \$1.5 million annually, while preserving and enhancing access and service to students, citizens, and clients.

The proposed consolidation is consistent with the Board of Regents' authority to structure institutional leadership. To the extent this proposal is inconsistent with Regent Policy Documents 82-3 and 88-5, which describes organizational leadership of extension and outreach activities, they are superseded.

RECOMMENDATIONS

UW System Administration recommends approval of Resolution A.

RELATED REGENT POLICIES

Regent Policy Documents 82-3 and 88-5.

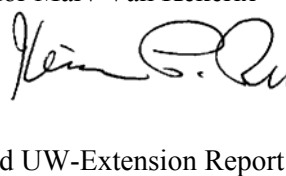


Office of the President

1720 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin 53706-1559
(608) 262-2321
(608) 262-3985 Fax
e-mail: kreilly@uwsa.edu
website: www.wisconsin.edu

January 18, 2005

To: Board of Regents
Interim Chancellor Margaret Cleek
Interim Chancellor Marv Van Kekerix

From: Kevin P. Reilly 
President

Subject: UW Colleges and UW-Extension Report

In October, 2004 I asked Dr. David J. Ward to work with Interim Chancellor Margaret Cleek and Interim Chancellor Marv Van Kekerix to prepare a report that would explore opportunities for consolidation of administration between the UW Colleges and UW-Extension. The goal of the review was to identify cost savings and efficiencies that could be achieved through merging the administrative operations of these institutions. Dr. Ward has completed his review and his report is attached.

The report describes the review process, details the findings and observations, and outlines a series of options for consolidating administrative functions of the two institutions. The report also describes the UW Colleges and UW-Extension as key public gateways for Wisconsin citizens to access higher education. Dr. Ward's study, and the discussions it generated among the Colleges and Extension and my office, have convinced me that administrative integration between the two institutions will not only be cost effective, but also will help preserve and enhance their access missions in the UW System – and their service to students and clients. I believe that such integration will best be achieved over time with the model of one Chancellor for Colleges and Extension.

Therefore, based on the report and follow-up discussions, I have indicated to Interim Chancellors Cleek and Van Kekerix that I will recommend to the Board of Regents at its February meeting that we proceed with the recruitment of a single Chancellor for UW Colleges and UW-Extension. If the Board accepts this recommendation, I will ask Interim Chancellors Cleek and Van Kekerix to work together during the search to advance the process of consolidation of administrative functions of the two institutions.

I appreciate the thoughtful and creative input of those participating in the study at UW Colleges and UW-Extension, and thank Dr. Ward for pulling this all together in a comprehensive and timely manner.

Please contact me if you have any questions.

Attachment

Copy: Chancellors, Cabinet, Dr. David J. Ward

OPPORTUNITIES FOR CONSOLIDATION OF ADMINISTRATION BETWEEN THE UW COLLEGES AND UW-EXTENSION

January 14, 2005

**A Report Prepared for
UW System Administration
President Kevin Reilly**

**Prepared by
Dr. David J. Ward**

OPPORTUNITIES FOR CONSOLIDATION OF ADMINISTRATION BETWEEN THE UW COLLEGES AND UW-EXTENSION

This report is prepared at the request of UW System President Kevin Reilly. The primary charge for this report is contained in President Reilly's memo of October 20, 2004. In that memo, the President asks for "a review and report on the possibilities for consolidation of the Madison administrative offices and functions of UW Colleges and UW-Extension" and establishes the following overall goal:

The goal of this review is to identify cost savings and efficiencies that could be achieved through merging the administrative operations of the central offices of the institutions.

This review of central office operations considers all Madison-based offices and functions of each organization from "the Chancellors' position on down." In meetings with President Reilly subsequent to the October 20 memo, the scope of the review was broadened to include a review of functions of the UW System's central administrative organization that might also yield some cost savings and efficiencies by consolidation with UW Colleges and UW-Extension administrative services.

It is important to frame this report in the context of the missions and roles of the UW Colleges, UW-Extension and the UW System. The UW System is the State of Wisconsin's primary public system of higher education. In a global economy that rewards brain power, the UW System is a critical driver of economic growth.

The UW Colleges and the UW-Extension are key public gateways for Wisconsin citizens to access higher education. The UW Colleges are the starting point for the second largest number of freshmen seeking bachelor degrees from UW System campuses. UW-Extension is the primary source of cooperative education services for agriculture, manufacturing and business, and the key source of continuing education services for over a quarter of a million Wisconsin residents annually. These two institutions have been described by President Reilly as the "university's premier access institutions."

Considerations of cost savings and administrative efficiencies through consolidation or merger of the UW Colleges and UW-Extension must be consistent with maintaining and improving public access to higher education in the State of Wisconsin. The State of Wisconsin now ranks 31st in the proportion of its workforce that holds a college degree. Given the strong link in the New Economy between education level and per capita income, Wisconsin will not be able to maintain the current level public infrastructure and services and quality of life for Wisconsin citizens unless more college educated workers are added to the state's workforce. The State and the University will need to greatly improve those numbers in the future as the global economy gets more competitive or the state will face a race to the bottom in competing for low value jobs with a noncompetitive workforce.

The remainder of this report consists of three main sections. The section on “Process” describes the basic approach and methodology used to compile the report. The section on “Findings” details observations, facts, and ideas that are important to the context and reading of the report. The section on “Opportunities for Cost Savings and Efficiencies” outlines a range of options for consolidating administrative functions of the UW Colleges and UW-Extension. This section also looks at how these cost savings and consolidating some of the functions of UW System Administration may enhance efficiencies.

PROCESS

In preparing this report, background data was gathered from the UW Colleges, UW-Extension and UW System. This data came from interviews, published sources such as the Red Book, institutional websites, and institutional reports and publications.

Additional data was gathered in a series of intra-institutional meetings with faculty and staff of the UW Colleges and UW-Extension. The majority of people attending these meetings holds administrative positions within their respective institutions or serve in leadership roles in institutional governance.

Following the series of intra-institutional meetings, two inter-institutional meetings were held. These meetings included representatives of each institution and allowed a free exchange of ideas about problems and opportunities related to the possible consolidation or merger of administrative services.

Meetings were also held with the current interim chancellors of UW Colleges and UW-Extension and with the System President. I also consulted with Dr. Rolf Wegenke, President of the Wisconsin Association of Independent Colleges and Universities (WAICU).

FINDINGS

The set of meetings described above were both collegial and productive. Both institutions engaged in a serious dialogue around the issues involving the consolidation of administrative services and the possible merger of the central administrative offices to form a new institution.

It is safe to observe at the outset that neither institution is eager to engage in organizational restructuring. Both organizations feel that they are at the “top of their game.” UW Colleges has record enrollments and has the lowest cost to educate a student of any of the UW institutions. UW-Extension is enjoying success and high levels of activity and progress in cooperative extension, outreach and e-learning extension, business and manufacturing extension, and broadcasting and media innovations at UW-Extension. However, each institution recognizes the budget challenges facing the UW System; and each is willing to look at a broad range of changes that would achieve efficiencies, save administrative dollars, and preserve or enhance the delivery of educational services.

In considering administrative consolidations and mergers, it is important to note the differences and similarities of the UW Colleges and UW-Extension. Given their current missions and operations, is it feasible to consolidate services or merge the two institutions? Little good will be served in merging functions, departments, or whole institutions if the resulting merger is inefficient or dysfunctional or if such action does not result in significant cost savings and efficiencies.

In many ways the UW Colleges and UW-Extension are quite different institutions of higher education. The UW Colleges was formed to assure widespread access for students starting a college education. The Colleges specialize in delivering general education and pre-major courses in the freshman and sophomore years. The UW Colleges currently have limited degree authority and can only grant a two-year, associate degree. In order to earn a UW bachelor's degree, a student at UW Colleges has to transfer to a degree program offered by a UW doctoral or comprehensive university. In recent years, there are agreements with other UW institutions to offer a limited selection of UW bachelor's degree programs on the UW College campuses.

The UW Colleges' operations most nearly parallel those of its four-year degree-granting sister institutions. At its thirteen campuses, the UW Colleges must provide the full array of student services including student recruitment and orientation, academic advising, course registration, financial aid, disability services, and a host of other services that are available on a typical college campus. Many of these services are mandated by law or are required to maintain academic accreditation.

UW-Extension by contrast is not a degree -granting institution and does not provide most of those student services listed above. UW-Extension's mission is to deliver educational services throughout the state to specific sectors such as agriculture, business and manufacturing, and to provide lifelong learning opportunities to the citizens of Wisconsin. UW-Extension has extensive external grant funding from federal and other sources.

UW-Extension's relationships with Wisconsin business people, farmers, local government officials, school administrators and teachers, and others are hallmarks of the basic nature of UW-Extension's operations and mission. UW-Extension operates in all of Wisconsin's 72 counties. It provides a network of expert faculty and staff who work with communities on local priorities to improve the economic strength and quality of life at the local level. UW-Extension brings the university's knowledge and experience to bear on local problems and forms an information bridge between the University of Wisconsin campuses and local communities in every part of the state. UW-Extension delivers life-long learning opportunities where people live and work and has extensive public broadcasting operations including public radio and public television.

The differences between these UW Colleges and UW-Extension help to define areas where consolidation or merger may not result in cost savings and administrative efficiencies. For example, the complete institutional merger of UW Colleges and UW-Extension would provide little, if any, cost savings or efficiencies in terms of the registration, financial aid, and academic advising functions now performed by the UW Colleges. UW-Extension does not have similar administrative functions. Likewise, such a merger would have little, if any, effect on the costs of UW-Extension's public broadcasting, cooperative extension services, and small business development centers. These one-of-a-kind functions at each institution that would need to continue and would not provide any immediate and significant cost savings or efficiencies.

While there are significant differences in the missions and operating characteristics of these institutions, there are remarkable similarities. Those similarities form a strong platform that could make the merger and consolidation of administrative services and the central leadership team feasible.

The most important similarity between these two institutions is the priority and value placed on providing access to higher education to the citizens of the state. "Access" is a core value in the mission statements of both institutions. UW Colleges' primary mission is to provide access to those who may be limited by geographic location, financial condition, and prior academic preparation. UW-Extension has similar values and is very involved in reaching the state's underserved populations.

There are many other similarities between UW Colleges and UW-Extension. The following list summarizes those similarities that should be considered in any decision to merge administrative services and or institutional leadership:

- Both institutions operate at geographically dispersed locations. UW-Extension has operations in all Wisconsin counties. UW Colleges has campus locations in 13 Wisconsin counties.
- Both institutions have significantly decentralized organizational structures that are coordinated by a central administrative office.
- Both institutions have political and fiscal links to county and local governments. The counties pay for a significant portion of county-based UW-Extension staff. The

counties pay for the vast majority of physical facilities that are built on UW College campuses.

- Both institutions have strong and active institutional governance systems that involve faculty, staff, and students.
- Both institutions rely on strong partnership arrangements with the UW doctoral and comprehensive campuses. UW-Extension negotiates interinstitutional agreements with all the UW campuses (including the UW Colleges) to deliver continuing education statewide. The UW Colleges has credit transfer agreements with the UW doctoral and comprehensive campuses and a growing number of agreements in which the UW Colleges host four-year degree programs on their campuses.

In the course of my meetings with the UW Colleges and UW-Extension representatives, both institutions offered candid assessments of the positives and negatives of any institutional consolidations and/or merger. In fact, by the second round of meetings, each institution had developed a list of advantages and disadvantages primarily focused on a merger of the two institutions. The lists of advantages and disadvantages were quite similar. In general, both institutions saw the following advantages to consolidations and merger:

1. A combined unit would expand access to higher education for returning adults, students of color, disadvantaged, and place-bound students.
2. A combined unit would give the UW System greater presence statewide.
3. A combined unit would be a key driver in reaching the goal of having more bachelor degrees in the Wisconsin workforce.
4. A combined unit could strengthen the UW System's relationships with county and local government.

Each institution also saw disadvantages to consolidation and merger. These disadvantages would include the following:

1. A merger could result in the loss of brand and identity leading to public confusion about each institution's higher education services.
2. It may be difficult to find a single leader capable of leading a merged organization.
3. Combinations and/or mergers will take a huge toll in terms of time and energy and the change may not be worth the costs involved.
4. A merger may hurt existing relationships with county and local government partnerships and with others who have a high degree of ownership in each respective institution.
5. It may be difficult to reconcile the governance and cultures of the two institutions in a single entity.

Based upon the meetings held with each institution, I believe that the merger of administrative services can be successful if such a change can garner the support and ownership of the institutions involved and the leadership of the Chancellors, the President of the System, and the Board of Regents. While change for the purpose of cost savings may be a worthy goal, the energy, commitment, and buy-in needed to significantly change any

institution must be driven by a worthwhile vision and purpose. Minor changes such as the merging of some administrative services can likely be done but will produce fairly small returns given the staffing levels of the two institutions.

Larger savings, efficiencies, and better service will come from more aggressive organizational changes. In the end, a decision to significantly change the organizational structures of these two institutions must be driven by the larger mission to better serve the people of the State of Wisconsin. The state is currently not competitive in the New Economy in terms of the proportion of its workforce that holds a college degree. Any organizational change involving the UW Colleges and UW-Extension that would help solve this problem would have enormous payback to the State of Wisconsin.

Finally, cost savings and efficiencies of any merger may be further enhanced by considering how selected UW System Administration administrative functions might be consolidated as part of any UW Colleges and UW-Extension consolidation or merger. This study only begins to explore this possibility and additional study would be needed to draw any definitive conclusions. However, within the scope of this study, I did look at how UW System's IT functions might fit into a consolidation of UW Colleges and UW-Extension's IT operations. Meetings with Associate Vice President Ed Meachen and his participation in an intersectional meeting of UW Colleges and UW-Extension lead me to believe that there may be some costs savings and efficiencies in combining network operations, Help desk, and training.

OPPORTUNITIES FOR COST SAVINGS AND EFFICIENCIES

There are a number of options to consider that could produce cost savings and efficiencies through the merger and consolidation of administrative services and the central administrations of the UW Colleges and UW-Extension. These savings and efficiencies could be further enhanced by also consolidating some of the services of UW System Administration. The options listed below could result in substantial cost savings, though in some cases they may require the investment of capital funds and some additional expenditure of operating funds to get to a new business model or process that will result in meaningful long-term cost savings and efficiencies.

Merger and Consolidation Criteria

Each of the options outlined below should be evaluated with the following criteria and concerns in mind:

- Will the merger of services result in maintaining or increasing public access to higher education for Wisconsin citizens?
- Does the merger of services maintain and strengthen the missions of both UW Colleges and UW-Extension?
- Is the merger of services consistent with the overall values of the UW Colleges and UW-Extension?
- Does the merger of services result in cost savings in the long run?
- Does the merger of services improve the business processes of the UW Colleges and UW-Extension?
- Does the time, energy, emotional cost, and the additional investment or transitional spending needed to complete the merger outweigh the benefits of merger?
- Do the units in any merger share common operating systems and policies, and if not, can those systems and policies be reconciled to allow for efficient operations?
- What is the impact of merger on institutional governance including academic staff, faculty, and student governance?
- Can the merger of services provide a learning model for consolidating administrative functions at other UW institutions?

Timeframe

Any type of merger and/or consolidation will require time for planning and implementation. This is true in the private sector in mergers and acquisitions and it applies as well to the public sector. The amount of time needed to complete a merger or consolidation will be a function of many factors. For example, the time it takes for the consolidation of personnel administration (human resources) will depend on the alignment of current operating procedures (for example, the steps in getting a contract for a new hire) and the alignment of personnel policies of each organization. Creating a common hiring process that allows for issuing contracts, payroll, and providing enrollment to fringe benefit programs is not a trivial matter. Failures in this type of function can create additional costs and morale problems. In addition to the factors cited above, there must be an alignment of the personnel

processes with the governance processes to assure a smooth flow of personnel services and due process.

In some cases, there may be immediate savings from a consolidation where already existing common processes and policies can simply be rolled-up into a more efficient unit. The same may be true in instances where administrative positions are consolidated and a position is eliminated. But in most cases, cost savings and efficiencies will be achieved in a matter of years not months.

Managing Goals and Expectations on Cost Savings and Efficiencies

In the section that follows, I have outlined a number of options related to possible future organizational arrangements involving UW Colleges, UW-Extension and some units of UW System. Where possible, I have tried to give an estimate of possible savings related to the consolidation or merger options. However, as I pointed out above, the savings and efficiencies from consolidation or merger may take some time to unfold and will be determined by a number of factors and many of those factors may be outside the control of UW System.

With respect to the options outlined below, it may be best to establish a consolidation or merger business plan that includes a target for cost savings, a timetable for implementation, and an implementation task force to manage the organizational transition. Such a plan would provide a better basis for estimating long-term cost savings, needed transitional spending and investments, and long-term operating efficiencies.

Options to consider

What follows in this section is a series of options that involve merging administrative functions of the UW Colleges and UW Extension. I begin with the case for no change and then present a series of options that involve increasing amounts of consolidation and or merger.

Option 1: Keep the current organizational structure and deal with cost savings and administrative efficiencies within the context of the existing institutions.

Both institutions offered a good rationale for this option. Each institution has coped with previous budget cutbacks and has managed resources in a manner that has preserved public access to higher education. The UW Colleges point out that they continue to be the low-cost alternative for educating freshmen and sophomore students within the UW System. UW-Extension has strong relationships and partnerships with local government and is on the cutting edge of public broadcasting and e-learning. UW-Extension has also built strong connections to the business community through the Small Business Development Centers and the new statewide Entrepreneurs Network. UW-Extension leverages state support through a significant amount of outside funding sources.

Both institutions recognize that they have been the subject of previous policy discussions involving their missions and future. However, each institution believes that it has better defined its role in higher education in the state and that strong relationships with local communities will help to maintain their current organizational mission and form.

Option 2: Merge specific administrative functions of the UW Colleges and UW-Extension into a common service unit or utility serving both institutions. Each institution would retain its current central administrative core (Chancellor, Provost, Vice Chancellor for Business Affairs, Chief Information Officer) and would share administrative officers in merged functions.

Discussions with each of the institutions produced a common list of administrative functions that might be candidates for consolidation that could produce cost savings and administrative efficiencies. The degree to which the consolidation of the areas identified below will be effective, and the time that it will take to realize cost savings and efficiencies will be determined by a number of factors including the culture, policies, and operating systems of the units involved.

The following areas may be good candidates for merger into common administrative units:

- Audit
- Risk Management / Safety
- Information Technologies
- Affirmative Action
- University Relations
- Human Resources (Payroll, benefits etc)
- Business Services

Many of the units listed above are small units of one or two people or in a few cases functions that are not full-time jobs. In some cases there may be little, if any, savings from a consolidation. For example, while each institution has an audit function, each unit is quite small and the combined audit load is not likely to decrease particularly if each organization maintains the current programs and administrative structures. There may be some savings in training and backup costs and a combined unit may be more proficient by combining the existing experience and talents of current staff.

The larger and more complex operations listed above are likely to offer more potential in cost savings and efficiencies. These areas would include information technology, business services (including financial, accounting, and budgeting services), and personnel. Consolidations of these functions would produce cost savings and efficiencies but those results will take time to achieve because of the complexity of these functions and the many different operating systems and policies that would have to be merged and reconciled.

A detailed estimate of implementation time, cost savings and operating efficiencies that could be achieved by consolidating the administrative services listed above is beyond the

timeframe and budget for this study. However, I did explore the opportunities and challenges of consolidating the IT functions of the two institutions.

There are many IT applications from each institution that are unique to that institution. For example, the registration and student records applications for the UW Colleges are not duplicated in UW-Extension's IT operations. There is a fairly large block of these unique IT applications and they would limit savings from any IT consolidation. However, there are enough common applications and functions to make further exploration of this area worthwhile.

From past experience, I would say that IT is a good candidate for the most complex challenge in administrative consolidations. I also researched the experiences of the Wisconsin Association of Independent Colleges (WAICU) project to provide consolidated IT administrative services for nine of its member institutions. Based upon my meetings, administrative experience with IT, and other research, I would make the following observations:

- Don't expect immediate savings. IT (or any other service) consolidation that is done right may cost more money initially.
- To realize savings in the IT area, there will have to be some initial investment in new operating systems or system integration software.
- The time and cost to get to a new IT operating model will be at least twice the initial estimates.
- Real cost savings in IT are likely to come in a limited number of areas that include network operations, e-mail, training, system implementation, and IT support services such as the Help desk.
- Set a target for savings (e.g., \$350,000) and a timeframe for the consolidation and manage the process with an experienced implementation team that includes outside, non-IT managers.
- In any of the services areas, including IT, leadership from the top will be essential to effect change. Don't allow the technical people to dominate the implementation.
- Expect rearguard actions and before and during the consolidation period.
- The real long-term savings in IT will come from inventing a new business model that eliminates operational steps and decision layers.

In my opinion, there are some solid opportunities for consolidating some of the administrative services of UW Colleges and UW-Extension. The extent of the savings and administrative efficiencies would need to be studied further. Such a consolidation would face many challenges and, to be successful, would need the leadership of the UW System President and the Chancellors of each respective institution.

Option 3: Merge specific administrative functions of the UW Colleges, UW-Extension and UW System Administration into a common service unit or utility serving three institutions.

Each institution would retain its current central administrative core and would share administrative officers in merged functions. Use the consolidation of IT services as a pilot.

The consolidation of UW System Administration administrative services with those of the UW Colleges and UW-Extension was not explored in depth for this study. However, I did explore the opportunities for consolidating the IT services of these three institutions.

The opportunities, problems, and principles outlined in Option 2 apply to Option 3 as well. There are unique applications in each institution's IT operations and combining these applications would result in little, if any, savings. However, with three institutions involved, there are opportunities to combine operations. Networking, e-mail, and the Help desk were cited as areas where savings could be realized.

A consolidation of the IT operations of these three units should be studied in greater detail. Such a study could be done in a reasonable amount of time and should include outside, non-IT members to gain independent perspectives. A study timeframe of 2-3 months would allow consolidation to begin in the 2005-2007 biennium.

Option 4: Merge specific administrative functions (as in Option 1 or 2 above) and merge the Chancellor's office, creating a position that is the CEO of UW Colleges and the CEO of UW-Extension.

This option would create a single chancellor for both institutions and would also move forward on consolidating administrative services as indicated in Option 2. The savings in operating costs by having a single chancellor would include executive salary, fringe benefits, housing and car allowances, support staff, and office operating budget. The savings would be over \$325,000 per year.

Currently both institutions have acting chancellors and thus the opportunity to implement this option is fairly immediate. However, the time that it would take to recruit a new chancellor to lead both institutions might be 6-9 months and should the initial search fail, there would need to be a backup plan to merge the posts under an acting chancellor as a second search is undertaken.

This option has a number of drawbacks that need to be carefully considered. Finding a person with the leadership talents and willingness to manage two separate but equal institutions with different missions would be a significant challenge. Each of the UW institutions may feel compromised under this option if they consider the change as the loss of their institutional leader.

There are many other political factors large and small to consider in this option. For example, how will the local communities served by the UW Colleges and UW-Extension view the merger of the top leadership posts? And given the separate building locations for each institution (one for the Colleges and several for UW-Extension), the office location of the new chancellor becomes a significant symbolic and political issue.

Option 5: Merge specific administrative functions (as in Option 1 or 2 above) and merge the central administrative offices thus creating a new UW institution. To maximize savings and efficiencies, locate all administrative offices in one building in Madison.

Option 5 would combine the two institutions into a new UW institution, combining the missions of the Colleges and Extension, and offering the opportunity to direct the focus of the new institution on problems facing the State of Wisconsin.

This option would create a single administrative team where now two executives' staffs exist. The new institution would have a single chancellor and a provost who would be the chief academic officer of the new institution. It would further combine the IT, external/government relations, and personnel and business units of the current institutions. There would also be the opportunity to merge other administrative functions as outlined in Option 2 above.

The merger of the two institutions would result in significant cost savings by eliminating the equivalent of an entire central administrative office of a UW institution. Cost savings could then extend to the operating level of a wide range of administrative services. Initially, it is my opinion that the cost savings of consolidating the top administrative offices would result in savings in salaries, fringe benefits, support staff, and operating budgets of between \$1,000,000 and \$1,500,000.

In addition to the savings of central administrative salaries, there would be opportunities to combine service functions in areas such as IT, personnel, external relations, and business services. The extent of these savings is difficult to estimate in terms of the amount of savings and the timetable needed for an efficient consolidation of services. A more detailed study is needed to more precisely determine cost savings and the time needed to achieve administrative consolidation.

Implementation Costs and Issues

If the decision is made to implement any of these options, there will need to be an implementation plan and budget. There should be an implementation team formed to manage the consolidation or merger. That team should include some outside members who can bring independent views to the consolidation or merger process.

Attention should be paid to the consequences of consolidation and merger in terms of personnel and space. Reorganizing administrative units will cause anxiety among staff well beyond the affected units. There needs to be a plan to keep personnel informed and to assist them in seeing how the new organization may fit into their future career plans. The loss of key staff due to poor handling of consolidation or merger would be a high price to pay for any cost savings or administrative efficiencies.

Space will also be a significant issue. The central and administrative operations of the UW Colleges, UW-Extension and UW System Administration are located in four separate locations. A number of these facilities are rented, as in the case of the Regent Street building. Consolidation of services or the merger of the institutions will require that at least operating

units be located in the same building. Given the current tight space situation in Madison and the age of some of the physical facilities, space may present both a problem and an opportunity.

IMPLEMENTATION COSTS, TIMELINES, STRATEGIES AND ADVICE

Implementation costs

Each of the consolidation or merger options will have costs attached to them. These costs of implementation would include out-of-pocket costs needed to relocate offices, purchase software needed to bring one or the other of the institutions into common systems, and other temporary personnel and S&E costs.

More important than the out-of-pocket costs will be the energy and emotional cost to faculty and staff of the UW Colleges, UW-Extension, and UW System. Organizational change creates a great deal of anxiety and uncertainty that affects staff morale and productivity. These factors are sure to emerge in even the smallest plan of consolidation. These human costs are very significant and reinforce the need for leadership from the top in carrying out any plan of consolidation or merger.

Timelines

The commonly reported private sector experience with mergers and consolidations is that they take more time than projected. In complex organizations and systems, it is difficult to account for all of the factors that will influence organizational change. There are “surprise” factors (e.g., a key employee leaves the organization) that will delay implementation. There are unexpected costs that reduce anticipated savings.

Options 2-5 will require significant time to implement. In some respects, the less far-reaching options described in Option 2 and 3 could take more time to implement because of the complex policies and operating systems currently in place.

In any case, I think there should be an investment in planning time to establish the right base for any administrative consolidation. The time to fully implement any of the options should then be measured in years with a goal to have full implementation in 3-5 years.

Strategy

To get both inside and outside political support for organizational change, there must be a higher-level purpose to organizational change. In that respect I would suggest that the State of Wisconsin faces significant economic challenges because it lags behind other states in the percentage of college educated in its workforce. A variety of factors account for the current situation and certainly everybody pays lip service to solving the problem. But the fact is that the college-educated numbers for Wisconsin are getting worse not better.

This situation suggests to me a vision and purpose for extensive reorganization within the UW System. The UW Colleges and UW-Extension occupy unique roles in terms of the scope of geographic operation and access to higher education. Working cooperatively with the other UW campuses and perhaps with a cooperative, multi-institutional degree, the merged

institution formed from the UW Colleges and UW-Extension would have as a primary part of its mission the task of increasing the number of college-educated persons in the Wisconsin workforce. The UW Colleges already has an excellent, on-line, general education program for the first two years of a bachelor's degree. This core could be combined with a focused, upper division core of courses from one or more UW campuses to form a statewide, multicampus degree that would have economic scale. The primary market for this degree would be those adults in the state who have some college education and who could be degree completers in a reasonable amount of time. The current networks of UW-Extension would be valuable in reaching this audience.

Advice

In the course of my meetings and consultations with the UW Colleges and UW-Extension, I sensed a willingness to consider far-reaching change. As I said earlier in this report, neither institution is "eager to engage in organizational restructuring." However as discussions with both institutions moved along, both advised against "tinkering around the edges" and if there is change, then lets "make it a significant thing."

In my view, Option 2 is "tinkering around the edges" and will result in much effort for little immediate results. It may serve as a model for other changes and there may be significant savings 5-7 years out, but I doubt whether the effort would be worth the cost.

Option 3 is a more aggressive approach but has many of the same limitations as Option 2. However, by expanding the scope of the consolidation and potentially reducing the overall size of UW System, there may be long-term benefits worth the costs involved.

Option 4 is aggressive and signals likely future organizational changes. This option is doable in a fairly short timeframe given the acting status of the chancellors of the UW Colleges and UW-Extension. I do think that it will be difficult to maintain essentially separate institutions with a common leader.

Option 5 is by far the most aggressive option. It would create a new UW institution and would be the first significant organizational change in the UW System since merger. The payback from this change and the efficiencies in administrative costs and program delivery are very significant. However, I think that Option 5 will only work if the new institution has an expanded mission with statewide significance.

**University of Wisconsin System Plan 2008:
Educational Quality Through Racial and Ethnic Diversity
Phase II – Closing the Achievement Gap**

EXECUTIVE SUMMARY

BACKGROUND

In May 1998, the UW System Board of Regents adopted *Plan 2008: Educational Quality Through Racial/Ethnic Diversity (Plan 2008)*.¹ *Plan 2008* provides a ten-year framework for systemwide institutional efforts aimed at removing barriers associated with race, ethnicity, and economic disadvantage to expand educational opportunities statewide, and infuse ethnic and racial diversity within institutional cultures to enhance the educational experience of all students.

In April 2004, the UW System Board of Regents reviewed the midpoint progress of Plan 2008 and established as a priority for Phase II closing the achievement gap in retention and graduation between students of color and their white peers, with a focus on critically assessing programs to provide for continuous improvement.² In May 2004, UW System Administration provided to the institutions guiding principles in the crafting of their individual Phase II plans, principles endorsed by the Board in June 2004.³ In October 2004, President Kevin Reilly issued a challenge to all UW institutions to create “systematic cultural change that will support diversity within every school, department, and unit,” and lead the nation in setting a new national standard in retaining and graduating racially and ethnically diverse students. In December 2004, UW institutions submitted to UW System Administration their Phase II plans. Institutions submitted a wide range of plans, reflecting diverse approaches to addressing the seven goals of Plan 2008.

REQUESTED ACTION

Resolution I.1.c.(1), reaffirming the UW System Board of Regents’ compelling interest in and commitment to achieving the educational benefits of diversity at all UW System institutions, through an array of programs and policies, including Plan 2008.

DISCUSSION

¹ [Plan 2008: Educational Quality Through Racial and Ethnic Diversity, A Report to the Board of Regents, May 1998.](#)

² [Plan 2008 Phase I Report - Report on Diversity: A Wisconsin Commitment, An American Imperative, April 2004,](#) April 2004 Report to the UW System Board of Regents.

³ [Administrative Recommendations for Creating Plan 2008: Phase II \(2004-2008\), May 2004.](#)

This report summarizes the institutional plans on the basis of the following factors:

1. Attention to closing the achievement gap;
2. Institutional commitment and accountability;
3. Assessment;
4. Relation to institutional mission;
5. Addressing specific needs of target populations;
6. Plan implementation.

In general, the initial submissions of institutional Phase II plans fall into two categories: (1) those that are strategic in that they provide context and background for specific activities and programs; and (2) those that include a set of activities and programs without context, but are generally responsive to the seven goals of Plan 2008 adopted in 1998. The former group starts by articulating the particular challenges the plan seeks to address, and then strategies proposed to meet them, along with plans for implementation and assessment. The latter provide little connection between the strategies and the activities proposed, and the special needs of the institution or the lessons from Phase I.

The UW System Office of Academic Affairs will work with institutions in identifying areas meriting attention with the goal of ensuring that each institution will have a strong implementation process in place by Spring, 2008, that focuses on narrowing the achievement gap through a plan built on assessment, and that addresses the needs and challenges specific to the institution.

This report provides an overview of the Plan 2008 Phase II proposals, highlighting those which provide exemplary responsiveness to the Phase II criteria.

RELATED REGENT POLICIES

Plan 2008: Educational Quality Through Racial and Ethnic Diversity; A Report to the Board of Regents, May 1998.

Plan 2008 Phase I Report - Report on Diversity: A Wisconsin Commitment, An American Imperative, April 2004.

Regent Resolution 7692, adopted 5/8/98.

Regent Resolution 8850, adopted 6/10/04.

University of Wisconsin System Plan 2008: Educational Quality Through Racial and Ethnic Diversity Phase II – Closing the Achievement Gap

INTRODUCTION

In May 1998, the UW System Board of Regents adopted *Plan 2008: Educational Quality Through Racial/Ethnic Diversity (Plan 2008)*.¹ *Plan 2008* provided a ten-year framework for systemwide institutional efforts aimed at removing barriers associated with race, ethnicity, and economic disadvantage, in order to expand educational opportunities statewide, and to infuse ethnic and racial diversity within institutional cultures so as to enhance the educational experience of all students.

In April 2004, the UW System Board of Regents reviewed the midpoint progress of Plan 2008. Based on the results of Phase I, the Board resolved that the focus for Phase II would be on closing the achievement gap between students of color and their white peers, and critically assessing programs to provide for continuous improvement.²

In May 2004, UW System Administration provided to the institutions guiding principles for Phase II plans, endorsed by the Board of Regents in June 2004.³ The principles included recommendations that each institution: link Plan 2008 goals to its *mission*; identify *target populations* served by the plan; establish *commitment* to full diversity institution-wide; address *responsibility* for diversity across all levels of the institution, including at the highest administrative levels; and, most importantly, focus on narrowing the *achievement gap* through a plan built on *assessment* that addresses the needs and challenges specific to the institution.

In October 2004, President Kevin Reilly issued a challenge to all UW institutions to create “systematic cultural change that will support diversity within every school, department, and unit,” and lead the nation in setting a new national standard in retaining and graduating racially and ethnically diverse students. President Reilly asserted that Phase II must create “an academically and socially enriched environment where learning and teaching thrive and where all students enjoy the educational benefits of a diverse classroom, campus, and community.”⁴

Plan 2008 and the Phase II plans addressed in this report are but one component of the larger diversity efforts of UW System institutions. Multiple efforts are underway, which are designed to prepare students for the increasingly diverse world that surrounds them. There is no

¹ [Plan 2008: Educational Quality Through Racial and Ethnic Diversity, A Report to the Board of Regents, May 1998](#). Regent Resolution 7692, adopted 5/8/98.

² [Plan 2008 Phase I Report - Report on Diversity: A Wisconsin Commitment, An American Imperative, April 2004](#), April 2004 Report to the UW System Board of Regents.

³ [Administrative Recommendations for Creating Plan 2008: Phase II \(2004-2008\), May 2004](#). Regent Resolution 8850, adopted 6/10/04.

⁴ [Best Practices Conference 2004 Highlights](#), Best Practices in Closing the Achievement Gap, October 18-19, 2004.

“one size fits all” strategy to address the varied needs and concerns of historically marginalized populations. Other statewide initiatives, programs, and services under the umbrella of diversity address women, Lesbian, Gay, Bisexual, Transgender and Questioning People, and the differently-abled. Many more institution-specific efforts exist under the diversity umbrella. The seven goals of *Plan 2008* focus specifically on African American, Hispanic/Latino, Asian American (with an emphasis on Southeast Asian), American Indian, and economically disadvantaged populations.

REVIEW OF PHASE I

As reported to the Board of Regents in April 2004, the results of Phase I were mixed. Progress was made in meeting many of the seven goals of Plan 2008, but that progress was often limited. For example:

- During the first five years (1999-2004), enrollment of students of color increased by 16 percent, the proportion of UW System enrollment made up of students of color increased from 8 percent to 9 percent, and the number of degrees conferred to students of color increased by 9 percent. However, service rates for students of color declined from 23 percent to 20 percent.⁵
- Pre-college participation of targeted students increased by 145 percent, and in 2002-03 stood at nearly 15,000 elementary and secondary students. However, UW System pre-college programs reached fewer than 8 percent of K-12 students of color.
- The numbers and proportion of employees of color in the UW System in every employment category (i.e. faculty, academic staff, classified staff, and administrators) increased by 38 percent. UW institutions had integrated diversity into strategic planning and academic program review, and included diversity efforts in program and performance reviews.
- During Phase I, second-year retention rates of students of color increased from 72 percent to 75 percent. Yet that rate still lagged behind the 81 percent second-year retention rate for white students. Six-year graduation rates were not yet available for cohorts of students enrolled at the beginning of Plan 2008 Phase I. Results for the 1997 student cohort revealed a disturbing gap in six-year graduation rates: 64 percent for white students, compared to 43 percent for students of color.

The review by UW System Administration and the Board of Regents of the results from Phase I determined that it was imperative that Phase II of Plan 2008 focus on closing the achievement gap between students of color and their white peers, and developing assessment plans that would inform institutions about what parts of their plans did or did not result in progress being made. This context provides the backdrop for Phase II.

⁵ The service rate is the percentage of Wisconsin public high school graduates who immediately enroll in a UW System institution.

PHASE II: CLOSING THE ACHIEVEMENT GAP

Overview of Institutional Plans

Institutional plans were reviewed using guidelines articulated in the May 2004 document issued by Senior Vice President Cora Marrett, and endorsed by the Board of Regents in June 2004. The review process conducted by Senior Vice President Marrett's Office resulted in formative, not summative evaluations of the Phase II plans initially submitted. It did not attempt to evaluate the effectiveness of the strategies and programs proposed by the institutions, but was process-oriented, addressing how well the plans responded to the Regent priority to close the achievement gap, convey institutional commitment, and include processes that would translate plans into effective implementation. The review process has and will continue to generate further dialogue with, and revision to, what for many of the institutions are not yet final plans. What follows are the highlights of an evaluation process that is still ongoing, and from which UW System Administration and the institutions will continue to learn from one another in how best to cultivate the educational benefits of diversity for all members of the UW community.

The Phase II plans initially submitted generally fall into two groups: (1) those that are strategic in their focus on the achievement gap; that provide good context and background for their activities and programs; and are informed by the institution's mission, student and regional populations, and its Phase I experience; and (2) those that include a set of activities and programs generally responsive to the seven goals adopted in 1998, but that lack a specific connection to institutional mission, goals and needs, or Phase I experience. The former group generally demonstrates a clear institution-wide commitment to addressing diversity challenges by conveying an understanding of the nature of the institution's particular set of challenges and its Phase I experience, and addressing them strategically. The latter group provides little context for the strategies and activities proposed, other than reference to the seven goals of Plan 2008, nor do they indicate that the activities are grounded in the lessons of Phase I. The achievement gap is specifically addressed in Goal 3 of Plan 2008, and while all of the plans address the achievement gap as part of that goal, many do not integrate that focus into the other goals.

The most widespread weakness is with assessment. Most plans include data that would be examined as part of an assessment process, but do not address the question of how the institution will know whether a particular strategy or program is successful. Where assessment indicators are identified, they are often focused on inputs rather than outputs, e.g., the number of people participating in a particular program, rather than whether the program has met its substantive goals.

To cite a few examples from among the stronger plans, the UW Oshkosh plan expressly references the mission and core values of the campus and the ways in which they are integrated into the institution's more general diversity efforts. The mission is to "provide students with access to high quality ... education" while honoring the institution's values of "diversity and inclusivity." The plan identifies clear strategies with which to address the achievement gap, and hence improve retention and graduation rates of students of color, formulated from Phase I experience and both intra-institutional and extra-institutional research. It lays out the structure for implementation and for continuous monitoring and assessment based on identified measures.

The Eau Claire plan devotes careful attention to explaining the context for the strategies and programs adopted, based on a comprehensive review of available research data. It demonstrates a clear focus on the achievement gap, as it exists on the campus, and includes an analysis of that achievement gap which informs its strategies. It incorporates within the plan attention to broader diversity. The Eau Claire plan further focuses on targeted groups that are proximate to the campus, e.g., Hmong and Native American communities.

The UW Colleges plan consists of one overarching proposal which identifies a set of nine initiatives, and is followed by individual plans for each of the Colleges' thirteen campuses that outline a manageable set of initiatives developed according to their individual circumstances. Each campus plan addresses the target population, expected outcomes, assessment indicators, and person(s) responsible for each initiative. For example, the UW-Barron County and Lac Courtes Oreilles Objibwe Community College Math and Science Precollege Program provides instruction to 7th through 12th graders to strengthen academic skills in math and science. It appears from the Colleges' proposal that this is an institution-wide commitment, and that processes are in place to ensure implementation and assessment.

Because UW-Extension does not offer courses for credit, in contrast to the other UW institutions, Extension faces particular challenges in addressing many of the Plan 2008 goals. Nonetheless, its plan sets a context for the role of diversity in the work of the institution and details specific ways that diversity can be advanced within that context. The plan's vision statement demonstrates the extent to which diversity has been institutionalized, and the plan was adopted by a process that demonstrates broad institutional involvement and commitment.

Individual plans for all institutions are located at:
<http://www.uwsa.edu/oadd/plan/phase2plans.html>.

Closing the Achievement Gap

The third goal of Plan 2008 specifically focuses on the achievement gap, committing the UW System to "close the gap in educational achievement by bringing retention and graduation rates for students of color in line with those of the student body as a whole." While all institutional plans address the achievement gap through this goal, the stronger Phase II plans examine the specific nature of the institution's challenge with respect to the achievement gap, and develop strategies and programs tailored to addressing that specific challenge. For example, UW-Madison's WiscAMP (Wisconsin Alliance for Minority Participation) and CIRTL (Center for the Integration of Research, Teaching and Learning) programs target students of color in Science, Technology, Engineering and Math (STEM) areas, disciplines in which the enrollment, let alone the retention, of students of color is disconcertingly low.

The stronger plans also acknowledge that the achievement gap is a function of multiple factors such as campus and classroom climate, the availability of role models who serve as mentors, the curriculum, and strategies and programs throughout the other six goals connected to narrowing the gap. For example, the UW Colleges has several programs developed to address multiple goals at once, including diversity training, faculty and staff training, freshman seminars, surveys on climate, and partnerships with four-year UW institutions (that facilitate the transition of students).

Institution-wide Commitment and Accountability

In order to effectively address Plan 2008 goals, in particular narrowing the achievement gap, institution-wide commitment and accountability are essential. Factors that suggest institution-wide commitment include: a mission and vision that incorporate diversity as central to the institution; visible leadership on the part of senior administrators; clear leadership roles for faculty, academic and classified staff, and students; and broad accountability reinforced by the integration of Plan 2008 goals into the institution's performance review and reward systems. The stronger plans attempt to include perspectives from all major constituent groups, rely on students in the plan development as well as implementation stages, and offer an integrated set of strategies and programs that involve all institutional constituents including students, while designating responsibility for overall success to those in positions to effect change. These plans do not center responsibility solely in those individuals and offices with specific responsibilities in the area of diversity, but incorporate Plan 2008 goals into the work and performance evaluation and reward system of all.

At UW-Superior, all academic departments and various program offices submitted diversity plans to increase people of color on staff, diversify the curriculum, and create a culturally sensitive atmosphere for all students. UW-Green Bay will require a curricular needs analysis as part of all position review requests. The purpose of this review is to use vacant faculty positions as opportunities to develop different curricular emphases that may attract a more diverse pool of candidates. UW-Oshkosh initiated a TEAM (Teaming for Effectiveness and Active Mentorship) Committee to focus on student retention. TEAM members include representatives from across the campus: Academic Support, Institutional Research, Dean of Students, Residence Life, Affirmative Action, and faculty and student representatives, to name a few.

In many of the Phase II plans, the role of high-level administrators in the development and implementation of the plan is clear. Some campuses have implemented organizational and structural changes in personnel and reporting lines to ensure accountability. For example, UW-Madison created the position of Associate Vice Chancellor for Diversity and Climate; UW-Eau Claire hired an Associate Vice Chancellor for Student Development and Diversity; and UW-River Falls has a Dean for Student Development and Campus Diversity. Some of these positions were instituted at the end of Phase I, with the intention that they would be instrumental for success in Phase II. UW System Administration sees its role as facilitator and resource to UW institutions in their efforts to close the achievement gap.

Assessment

Assessment of strategies and programs intended to enhance student success is challenging. However, assessment is necessary to ensure that limited resources are being utilized most effectively. Most plans include data that will be collected, and reporting that will take place. Often missing, however, were the indicators of success that would inform whether the particular strategy or program was accomplishing its intended purpose.

The strongest plans contain a specific evaluation and assessment component for each initiative that integrates continuous feedback. Campuses with strong assessment plans use multiple indicators and measures for assessment, including data from focus groups, climate, satisfaction and exit surveys, and pre- and post-test instruments. For example, UW-Oshkosh's plan establishes specific measures and timelines for every initiative. UW-Extension identifies anticipated impact/outcomes and links them to specific accountability factors. UW-Fond du Lac is expanding its Diversity Circles after a successful pilot program demonstrated success in transforming community awareness and attitudes toward diversity issues, particularly with respect to race and ethnicity. The program includes action forums from which they have collected data on changes in attitudes among participants.

UW System Administration will continue to serve as a resource to UW institutions in their efforts to better assess their programs and initiatives to ensure that they have a greater impact on closing the achievement gap.

Institutional Mission

Institutional mission sets a context for diversity initiatives and ensures that Plan 2008 addresses interests broader than just those of targeted students, i.e., addressing the educational needs of all students. While that connection may appear to be self-explanatory, the particular interest in diversity at any given institution should flow from its mission in order to be well integrated into the teaching and learning process, as well as satisfy legal requirements.⁶ Some of the plans make a clear and direct connection between institutional diversity efforts and the institutional select mission; others make little connection. For example, the UW Colleges' mission is uniquely tied to serving local populations and as entry institutions for many populations of color. Therefore, a number of precollege programs are included throughout the Colleges' Phase II plans. UW-Extension's mission is designed to apply research, knowledge, and resources to meet the community-based and other educational needs of people in the state. Therefore, UW-Extension is uniquely positioned to influence the lives of people through continuing education programs, applied research, Cooperative Extension community-based education, and public broadcasting and communications. Programs such as the *Multicultural Awareness Program*, in which participants learn about how human interactions are impacted by their differences, reach across institutions and the state.

Targeted Populations

While Plan 2008 identifies four targeted populations, the specific challenges and opportunities of individual institutions differ. Many UW campuses are regional in their service areas. This has led some campuses to focus on specific populations unique to their region, and identify specific populations within the four targeted populations that are key to their efforts to close the achievement gap. Others, however, have not yet seized the opportunity to focus their efforts in ways unique to their circumstances, which in many cases might enhance greater

⁶ The 2004 U.S. Supreme Court rulings in *Gratz v. Bollinger* and *Grutter v. Bollinger* reiterated the need to justify programs as they relate to institutional mission in securing the benefits of educational diversity for all students.

opportunities for success. UW System Administration will facilitate the sharing of information between UW institutions in order to more effectively serve their target populations.

For example, campuses located in areas with high Hmong and Latino population growth can take advantage of this demographic opportunity to focus their diversity efforts on those targeted populations. Some of the institutions do: in response to the growing Hmong population in Menominee, UW Stout offers a program in Hmong language and culture. Other campuses' efforts to recruit American Indians include improved outreach with local tribes and Tribal Colleges. UW-Barron County partners with the Lac Courtes Oreilles Ojibwa Community College in providing math- and science-focused precollege programs.

Implementation

Plans that are focused on a limited set of initiatives appear to present the most realistic implementation process for closing the achievement gap. As noted above, the stronger plans give careful attention to identifying responsible person(s). This commitment is important not only for purposes of accountability, but also to guide implementation. In cases of plans with the most promising proposals for effective implementation, responsible parties are in positions that enable them to implement strategies and programs. For example, because Deans and faculty are key to implementing classroom and other instructional initiatives, the Provost at UW-La Crosse will work with Deans and Department Chairs in each academic department to integrate diversity into teaching curricula.

UWSA will work with the institutions to ensure that all plans effectively serve the institutions as they move to implementation. It is during the implementation stage that UWSA can play a significant role in facilitating institutional efforts to address Plan 2008 goals. Such facilitation requires frequent consultation with institutions to determine how best to meet their needs during implementation. The review of the plans provides a good starting point for that discussion.

Best Practices Conference

The UW System Best Practices in Closing the Achievement Gap Conference, held in October 2004, provided valuable information to UW institutions on how to have an impact on the achievement gap. Some campuses were explicitly able to incorporate ideas and suggestions gleaned from the conference. Included by specific reference were: Dr. Estela Mara Bensimon's Equity Scorecard assessment model in the UW-Green Bay and UW-Whitewater plans; Xavier University's Retention model in the UW-La Crosse plan; and Dr. Alberto Cabrera's findings on classroom climate in the UW-Colleges plan, among other examples. UW System Administration has created the online Diversity Resource Center, which includes important information from the Best Practices Conference as well as valuable links to helpful websites on diversity. UW System Administration will continually update this site to better serve as a resource to UW institutions: <http://www.uwsa.edu/oadd/conference/oaddPlan2008Resources/index.htm>.

Next Steps

Ultimately the success of Plan 2008 depends on the work of all within UW System. Several steps will be taken to ensure that the UW System as a whole goes forward with plans that effectively address Plan 2008 goals and the Board of Regents' areas of focus. The Office of Academic Affairs is working with institutions to ensure that all plans effectively serve the institution as they embark on implementation and assessment of strategies to close the achievement gap. The Office will report back to the Board in March 2005 on the completion of that process. The Office of Academic Affairs further plans to return to the Board on an annual basis with an update that not only provides information on macro indicators like retention and graduation, but also reports on institutional assessment of their efforts to close the achievement gap.

Finally, it is recommended that The Board of Regents adopt a statement of vision on diversity in order to reaffirm its commitment to advancing the educational benefits of diversity and to the goals of Plan 2008, and recommend a set of action steps to ensure that the plans that have been developed address the Board's priority of eliminating the achievement gap between students of color and their white peers. These actions steps include:

1. Undertaking a systemwide climate study. There is widespread agreement that campus and classroom climate play a significant role in retaining and graduating students. Mindful of the work that has already been done by some UW institutions, a systemwide assessment of climate is key to identifying areas that require an institution's attention, as well as assessing the effectiveness of initiatives to address climate issues.
2. Adopting a "diversity scorecard" systemwide or similar accountability tool that will track the progress made by UWSA and the institutions in closing the achievement gap between UW students of color and white students. The Achieving Excellence Report has been a central document that tracks the UW System's success in achieving particular educational goals. While the report already provides data on both first-to-second-year retention and six-year graduation rates by race/ethnicity, an expansion of that report to more completely track efforts in narrowing the achievement gap would not only be a report card on progress for the Board, but informative to institutions in assessing their efforts.
3. Instituting a systemwide Diversity Award, similar to the Regents Teaching Excellence Award, recognizing excellence in diversity programming or achievement. Diversity is a key priority of the UW System, and should be recognized by creating an award that honors excellence in integrating diversity into the student experience.

CONCLUSION

In reflecting on the role of the UW System, President Reilly has said, "I believe that our job 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 flourishing communities that sustain it." In order to meet that challenge, the UW System has a special responsibility to address the needs of populations that historically have not had the opportunity fully to participate in and contribute to the state's economic and cultural growth. In embracing that responsibility, the UW System will not only increase access and opportunities for populations of color, but also will make meaningful contributions to all Wisconsin citizens, who live and work in increasingly diverse communities, in an increasingly diverse state, nation and world.

REVISED

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I. Items for consideration in Regent Committees

1. Education Committee - Thursday, February 10, 2005
1820 Van Hise Hall
1220 Linden Drive, Madison
1:30 p.m.

10:00 a.m. All Regents

- Governor's 2005-07 Biennial Budget
- President's Efficiencies and Report to the Joint Audit Committee
- Discussion of and action on consolidation of administrative operations of UW Colleges and UW-Extension, and authorization to recruit a Chancellor for UW Colleges and UW-Extension.
[Resolution A]

12:00 p.m. Box Lunch

12:30 p.m. All Regents

- Plan 2008: Educational Quality Through Racial and Ethnic Diversity-Phase II

1:30 p.m. Education Committee

- a. Approval of the minutes of the December 9, 2004, meeting of the Education Committee.
- b. Discussion: All-Regent Session:
 - 1) Governor's 2005-07 Biennial Budget;
 - 2) President's Efficiencies and Report to the Joint Audit Committee.
- c. Report of the Senior Vice President for Academic Affairs:
 - (1) Plan 2008 Phase II Roundtable Discussion;
[Resolution I.1.c.(1)]
 - (2) Revision to Include Gender Identity or Expression in the UW System Regent Policy Documents on Non-Discrimination.
[Resolution I.1.c.(2)]
- d. UW-Milwaukee Charter Schools:
 - (1) New Proposal: the Career Education Academy;
[Resolution I.1.d.(1)]
 - (2) Contract Extension: Milwaukee Urban League Academy of Business and Economics.
[Resolution I.1.d.(2)]

- e. Program Authorizations – First Reading:
 - (1) M.A. in Women’s Studies/Gender Studies, UW-Madison;
 - (2) Joint Doctor of Audiology, UW-Madison and UW-Stevens Point.
- f. Program Authorization - Second Reading: B.A./B.S. in International Studies, UW-River Falls.
[Resolution I.1.f.]
- g. Mission Revision – Second Reading: UW-Whitewater.
[Resolution I.1.g.]
- h. Revised Faculty Personnel Rules: UW-Stout.
[Resolution I.1.h.]
- i. Authorization to Recruit: Chancellor, UW-Eau Claire.
[Resolution I.1.i.]
- j. Additional items that may be presented to the Education Committee with its approval.

Resolution to Endorse the UW System's Commitment to
Diversity in Phase II of Plan 2008

Resolution I.1.c.(1):

WHEREAS, it is fundamental to the statutory mission of the University of Wisconsin System to enable students of all ages, backgrounds and levels of income to participate in the search for knowledge and individual development, to foster diversity of educational opportunity, and to develop human resources, as set forth in s. 36.01(1), Wisconsin Statutes; and

WHEREAS, achieving the educational benefits that flow from a diverse student body advances the core academic and governmental goals of improving all students' intellectual growth, readiness for citizenship, and preparation for successful participation in and contribution to the economic, civic, and cultural vitality of the State; and

WHEREAS, the Board of Regents of the University of Wisconsin System and its institutions have long been committed to ensuring that all students receive the educational benefits that flow from a diverse student body, and this commitment is reflected in an array of programs, ranging from admissions policies to the University of Wisconsin System *Plan 2008*; and

WHEREAS, the United States Supreme Court, in *Grutter v. Bollinger* and *Gratz v. Bollinger*, has recognized that colleges and universities have a compelling interest in securing the benefits of educational diversity for all students;

BE IT RESOLVED:

That the Board of Regents of the University of Wisconsin System reaffirms its compelling interest in and commitment to achieving educational diversity at all UW System institutions, through an array of programs including *Plan 2008*, in order to fully develop advanced human potential, the jobs that employ that potential, and the flourishing of communities that sustain it.

BE IT FURTHER RESOLVED:

That the Board of Regents of the University of Wisconsin System recommends that the following steps be taken by the University of Wisconsin System Administration and the institutions:

1. Undertake a systemwide climate study;
2. Adopt systemwide a "diversity scorecard" or similar accountability tool that will track the progress made by UWSA and the institutions in closing the achievement gap between UW students of color and white students;
3. Institute a systemwide Diversity Award, similar to the Regents Teaching Excellence Award, recognizing excellence in diversity programming or achievement.

Revision to Include Gender Identity or Expression
in the University of Wisconsin System
Regent Policy Documents on Non-Discrimination

EDUCATION COMMITTEE

Resolution I.1.c.(2):

That, upon the recommendation of the President of the University of Wisconsin System, Regent Policy Document 75-5 is amended by inserting the words "gender identity or expression" after the word "sex" in paragraphs one and three of the policy statement; and that Regent Policy Document 88-12 is amended by inserting the words "gender identity or expression" after the word "sex" in the first line of paragraph two.

REVISION TO INCLUDE GENDER IDENTITY OR EXPRESSION IN THE UNIVERSITY OF WISCONSIN SYSTEM REGENT POLICY DOCUMENTS ON NON-DISCRIMINATION

EXECUTIVE SUMMARY

BACKGROUND

In December, 2004, the Board of Regents heard a presentation on the UW System Inclusivity Initiative on Lesbian, Gay, Bisexual, Transsexual, and Questioning People. The presentation included testimony from a panel of UW students, who conveyed to the Board the ways in which they felt marginalized or excluded from full participation in campus life because of their sexual orientation or gender identity. The student panel also advised the Board that UW System Regent Policy Documents prohibiting discrimination do not expressly prohibit discrimination on the basis of gender identity or expression. Responding to this concern, the Education Committee suggested that appropriate Regent Policy Documents be amended by adding "gender identity or expression" to the list of categories protected against discrimination.

Developing case law under federal statutes prohibiting sex discrimination (Title VII of the Civil Rights Act of 1964, as amended, and Title IX of the Education Amendments of 1972, as amended), currently affords protection against discrimination resulting from gender stereotyping and related gender identity issues. State law also prohibits discrimination on the basis of sex and sexual orientation, in both education and employment (Wis. Stats. ss. 36.12 and 111.31, et seq.). The addition of "gender identity or expression" to the list of protected categories under Regent Policy Documents would clarify that the protections provided by the federal case law precedents and state statutes are likewise applicable to employees and students of the UW System. Resolution I.1.c.(2) amends the relevant Regent Policy Documents to include gender identity or expression among the protected categories.

REQUESTED ACTION

Approval of Resolution I.1.c.(2), approving the amendments to the University of Wisconsin System Regent Policy Documents to include gender identity or expression.

DISCUSSION AND RECOMMENDATIONS

UW System Administration recommends approval of these revisions.

The University of Wisconsin-Milwaukee
Office of Charter Schools Contract
with Seeds of Health, Inc.,
d/b/a Career Education Academy

EDUCATION COMMITTEE

Resolution I.1.d.(1):

That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approves the charter school contract with Seeds of Health, Inc., to establish the Career Education Academy.

**UNIVERSITY OF WISCONSIN-MILWAUKEE
OFFICE OF CHARTER SCHOOLS CONTRACT WITH
SEEDS OF HEALTH, INC.
d/b/a CAREER EDUCATION ACADEMY**

EXECUTIVE SUMMARY

BACKGROUND

Charter schools are intended to offer quality education services to children through the creation of alternative public schools that are not subject to as many of the rules and regulations imposed on school districts. The charter school movement is one of the strategies used to expand the idea of public school choice in Wisconsin and the rest of the nation.

In 1997, Wisconsin law was modified to allow the University of Wisconsin-Milwaukee to charter public schools in the city of Milwaukee. Since then, the Board of Regents and the Chancellor of UW-Milwaukee have approved several charter schools, involving a variety of public and private partnerships working to improve educational opportunity and achievement for Milwaukee school children.

The Office of Charter Schools at UW-Milwaukee and Chancellor Santiago recommend that the Seeds of Health, Inc., be granted a charter to operate a public school known as Career Education Academy.

Career Education Academy will be UW-Milwaukee's eighth charter school. The Office of Charter Schools undertook an extensive review process that began in May of 2003. The review included an in-depth analysis of the Career Education Academy Prospectus by the UW-Milwaukee Charter School Board, and a three-step review of the Career Education Academy Charter School Application by the UW-Milwaukee Charter Application Review Committee. The UW-Milwaukee Charter School Board, the UW-Milwaukee Charter Application Review Committee, and the Director of the Office of Charter Schools recommend approval of the charter school contract to allow Career Education Academy to begin operating as a charter school in the fall of 2005.

REQUESTED ACTION

Approval of Resolution I.1.d.(1), approving the charter school contract with the Seeds of Health, Inc., to operate a public school known as Career Education Academy.

EDUCATIONAL PLAN

The development of the Career Education Academy was initiated by Seed of Health, Inc., a non-sectarian, education provider. The Career Education Academy will occupy an unused portion of the Seeds of Health campus at 1445 South 32nd Street, Milwaukee, Wisconsin 53215. Seeds of Health, Inc., is a Wisconsin, non-stock, not-for-profit corporation in good standing under Chapter 181 of the Wisconsin State Statutes and 501(c)(3) of the Internal Revenue Code. The school will be a Local Education Agency (LEA) and will act as its own school district.

The mission of the Career Education Academy is to provide Milwaukee students with a seamless educational program that includes high-level academic and technical preparation for workforce readiness and lifelong learning. The program is geared to students earning dual certification: a high school diploma and a MATC diploma in a trade or technical field.

The Career Education Academy (CEA) is a high school program for 120 students in grades 9-12, with integrative links to post secondary education at MATC. Students may enroll as ninth- or tenth-graders. Grade 11 will be added at the start of the second year of operation and grade 12 in the third year.

For the ninth and tenth grades the CEA curriculum will:

- ✦ Develop strong, standards-based academic skills (reading, writing, mathematics, and technology) and emphasize their practical application and occupational relevance.
- ✦ Emphasize the importance of work habits, interpersonal communication, and personal economic and employability skills.
- ✦ Gradually and carefully explore achievable career options within a broad range of trade and technology courses offered by MATC.
- ✦ Prepare students to satisfy two academic requirements: entry-level course requirements at MATC, and dual certification through a Career Education Academy diploma and a MATC diploma in a trade or technical field.

Based on a student's progress during the first two years of the CEA curriculum, students will spend the final two years of the curriculum in one of two programs:

- ✦ Students able to satisfy entry-level requirements into a MATC diploma program will spend one-half of their day in the core curriculum at the CEA and the remainder of the day at MATC studying for a one-year MATC diploma in various trade and technology fields.
- ✦ Students who are not yet ready to satisfy MATC entry-level requirements will remain within the full-day curriculum and continue to pursue the knowledge and skills needed to satisfy various MATC and CEA course requirements. Students might need more than four years to graduate from the CEA with a dual diploma from the CEA and MATC.

The key instructional methodologies include: direct instruction, cooperative learning, computer-assisted instruction, project-based learning, and performance-based instruction. Students will also observe, shadow, and simulate skills and activities related to careers and work. Students will use the community as a laboratory to gather data, see experts, create information, and observe adults trying to solve important problems.

Program performance will be evaluated using quantitative and qualitative measures based on student performance, state standards, and MATC proficiency standards.

ELEMENTS OF THE CONTRACT

The contract negotiated with Seeds of Health, Inc., meets all requirements of the UW-Milwaukee model charter school contract. The Career Education Academy is prepared to operate in accordance with all applicable state and federal requirements for charter schools. The contract follows the approved model contract and contains additional information that make the contract more complete for the purpose of granting the charter. The major elements are as follows:

1. Article One – Definitions - Key terms of the contract.
2. Article Two – Parties, Authority, and Responsibilities.
3. Article Three – Obligations of the Grantee. This section is important in that it recites the requirements of the law and how the grantee will meet those requirements. This includes such topics as: a) school governance; b) measuring student progress; c) methods to attain educational goals; d) licensure of professional personnel; e) health and safety; f) admissions; g) discipline; h) insurance standards and other topics.
4. Article Four – Additional Obligations. This section adds additional considerations that help define the school, its practices, UW-Milwaukee administrative fees, and financial reporting.
5. Article Five – Joint Responsibilities. This section details the review of the management contracts and methods of financial payments.
6. Article Six – Notices, Reports, and Inspections. This section facilitates certain aspects of UW-Milwaukee’s oversight responsibilities.
7. Article Seven – Miscellaneous Provisions. Significant in this section are the Code of Ethics provisions (7.2).
8. Article Eight – Provision Facilitating UW-Milwaukee Research. This section sets forth the guidelines that UW-Milwaukee will use to conduct research into the concept of charter schools and their impact upon educational practice.
9. Article Nine – Revocation of Agreement by UW-Milwaukee. This section establishes how the contract might be defaulted by the grantee and reasons for revocation by UW-Milwaukee. This section is critical to the idea that a charter school can be closed for not complying with the law, contract conditions, or failure to meet its educational purpose(s).

10. Article Ten – Termination by the Grantee. This is the reverse of Article 9 describing how the grantee may, under specified circumstances, terminate the contract.

11. Article Eleven – Technical Provisions. This section details standard contract language for mutual protection of the parties.

The attached contract represents the final phase of the chartering process for the Career Education Academy to be chartered under Wisconsin law.

RELATED REGENT POLICIES

Regent Resolution 7905 (May 7, 1999).

CHARTER SCHOOL CONTRACT

THE BOARD OF REGENTS
OF THE
UNIVERSITY OF WISCONSIN SYSTEM
(d/b/a the University of Wisconsin-Milwaukee)

AND

SEEDS OF HEALTH, INC.,
A Wisconsin nonstock, nonprofit corporation
(Grantee)

CHARTER SCHOOL CONTRACT
BETWEEN
THE BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM
(d/b/a the University of Wisconsin-Milwaukee)
AND
SEEDS OF HEALTH, INC.

This Contract is made this ___ day of February, 2005, by and between the Board of Regents of the University of Wisconsin System (d/b/a the University of Wisconsin-Milwaukee), P.O. Box 413, Milwaukee, WI 53201, and Seeds of Health, Inc. ("Grantee"), located at 1445 S. 32nd Street, Milwaukee, WI 53215.

Whereas, the State of Wisconsin has created a Charter School program under the provisions of § 118.40, *Wisconsin Statutes*; and

Whereas, the Chancellor of the University of Wisconsin-Milwaukee is authorized by § 118.40(2r)(b), *Wisconsin Statutes*, to initiate and enter into a contract with an individual or group to operate a school as a charter school, subject to the approval of the Board of Regents of the University of Wisconsin System; and

Whereas, on _____, 1995 the Board of Regents of the University of Wisconsin System has approved (i) the Chancellor's grant of a charter to the Charter School and (ii) the Chancellor's entering into this Contract with the Grantee for operation of the Charter School;

Whereas, the University of Wisconsin-Milwaukee has established the Office of Charter Schools to serve as the University's administrative unit to implement the provisions of section 118.40, *Wisconsin Statutes*, and to carry out the University's oversight responsibilities under the statute; and

Whereas, it is the intention of the Chancellor of the University of Wisconsin-Milwaukee to grant charter school status to qualified non-profit organizations that can bring quality educational services to the children residing within the City of Milwaukee, pursuant to the provisions of § 118.40, *Wisconsin Statutes*; and

Whereas, the mission of the University of Wisconsin-Milwaukee includes research and the dissemination of knowledge that results from research, and the particular mission of its School of Education is research on reforms in urban education;

Whereas, the Office of Charter Schools has been organized to cooperate with community organizations, parent groups, educators and other individuals who are committed to improving the quality of education for children in the City of Milwaukee; and

Whereas, the Parties (as defined below) have successfully negotiated this Contract as a charter school contract in accordance with § 118.40, *Wisconsin Statutes*, and in particular, the

provisions specified under sub. (1m)(b) 1. to 14. and sub. (2r)(b), and additional provisions as authorized by sub. (2r)(b);

NOW THEREFORE,

- A. As contemplated under § 118.40(2r)(b), the Chancellor, on behalf of and with the approval of the Board of Regents of the University of Wisconsin System (d/b/a the University of Wisconsin-Milwaukee), hereby establishes by charter the Charter School to be known as Career Education Academy.
- B. The Chancellor, on behalf of and with the approval of the Board of Regents of the University of Wisconsin System (d/b/a the University of Wisconsin-Milwaukee), hereby enters into this Contract with Seeds of Health, Inc. and thus hereby authorizes the Grantee to operate the Charter School; and
- C. In consideration of this grant, the Chancellor, on behalf of the University of Wisconsin - Milwaukee and with the approval of the Board of Regents of the University of Wisconsin System, and the Grantee (each as defined below), hereby agree as follows:

ARTICLE ONE

DEFINITIONS

Section 1.1 Certain Definitions. For purposes of this Contract, and in addition to the terms defined throughout this Contract, each of the following words or expressions, whenever initially capitalized, shall have the meaning set forth in this section:

- (1) “Applicable Law” means all federal, state, and local law now or in the future applicable to Wisconsin charter schools.
- (2) “Board” or Board of Regents means the Board of Regents of the University of Wisconsin System.
- (3) “Chancellor” means the Chancellor of the University of Wisconsin-Milwaukee or any designee of the Chancellor.
- (4) “Office” means the Office of Charter Schools at the University of Wisconsin-Milwaukee, and for the purposes of this contract, is a designee of the Chancellor.
- (5) “Charter School” and “School” and “CEA” mean a school to be known as Career Education Academy, which is under the control of the Grantee, a Wisconsin nonstock, nonprofit corporation.
- (6) “Day” shall mean calendar day,
 - (a) The first day shall be the day after the event, such as receipt of a notice,

- (b) Each day after the first day shall be counted, except that a Saturday, Sunday, or legal holiday shall not be counted if it would be the final day of the period.
- (7) “Department” means the Department of Public Instruction of the State of Wisconsin.
- (8) “District” means the First Class City School System operating pursuant to Wis. Stat. ch. 119, as well as any successor to it that may have jurisdiction over or statutory duties with respect to the Charter School.
- (9) “Grantee” means Seeds of Health, Inc., a nonprofit nonstock corporation duly organized and existing under the laws of the State of Wisconsin.
- (10) “MATC” means Milwaukee Area Technical College.
- (11) “Parties” means the Board (d/b/a the University of Wisconsin-Milwaukee) and the Grantee, through their designated representatives.
- (12) “University” means the Board (d/b/a the University of Wisconsin-Milwaukee) and the Chancellor acting as the Board’s representative.

ARTICLE TWO

PARTIES, AUTHORITY AND RESPONSIBILITIES

Section 2.1 The Parties to this Contract are the University and the Grantee.

Section 2.2 Board of Regents.

- (1) Under the authority of § 118.40(2r), Wisconsin Statutes, the University, with the approval of the Board, hereby grants to Grantee a charter to operate a Charter School under the terms and conditions of this Contract.
- (2) On behalf of the University, the Chancellor shall exercise all oversight responsibilities as set forth in this Contract.
- (3) The Chancellor may conduct research as set forth in Article Eight and elsewhere in this Contract.

Section 2.3 Grantee. Grantee is responsible and accountable for performing the duties and responsibilities associated with the Charter School assigned to it under this Contract.

Section 2.4 The Parties agree that the establishment of the Charter School shall have no effect on the liability of the University other than as to those obligations specifically undertaken by the University herein. The University thus shall not be liable to any person not a Party to this Contract on account of the establishment or

operation of the Charter School. Further, the University assumes no obligation with respect to any officer, director, employee, agent, parent, guardian, student, or independent contractor of the Grantee or the Charter School, or any other persons contracting with the Grantee.

ARTICLE THREE

OBLIGATIONS OF GRANTEE UNDER SECTION 118.40, WISCONSIN STATUTES

Section 3.1 With regard to the requirements for Charter Schools set forth in § 118.40(2r)(b)1.to 14., *Wisconsin Statutes*, Grantee hereby agrees to operate the Charter School in substantial compliance with all of the following specifications:

- (1) The name of the person who is seeking to establish the Charter School:

Seeds of Health, Inc. (Grantee)
- (2) The name of the person who will be in charge of the Charter School and the manner in which administrative services will be provided:

Marcia L. Spector serves as the Executive Director of Seeds of Health and as such is the person who is responsible for the management of all the agency’s programs including the CEA. She reports directly to the Board of Directors of Seeds of Health. A principal will be appointed to manage the operations of CEA, reporting to the Executive Director. All School employees will report to the principal. Such other administrators as may be necessary and appropriate will be appointed to ensure coordinated operation of the School and its programs.

In the event there is a change in the Executive Director of the Grantee or the Principal of the Charter School, or a material change in the leadership of the Charter School as described in this subsection, the Charter School agrees to notify the Office immediately of the change.

- (3) A description of the educational program of the School:

The CEA describes its educational program in its Charter School Proposal, in part, as follows:

The Career Education Academy is a high school program for 120 students in grades 9-12, with integrative links to post secondary education at MATC. Students may enroll as ninth or tenth graders for the first year. The program will be designed to add a grade each year until the school has grades 9 through 12.

The CEA will be implemented within three phases. Phase One--Ninth and Tenth Grade, Phase Two--Ninth, Tenth, and Eleventh Grade, and Phase Three--Ninth

through Twelfth Grade. During the first three years the CEA educational program will:

- Develop strong standards-based academic skills (reading, writing, mathematics, and technology) and emphasize their practical application and occupational relevance.
- Emphasize the importance of work habits, interpersonal communication and personal economic and employability skills.
- Gradually and carefully explore achievable career options within a broad range of MATC certification programs.
- Prepare students to satisfy two academic goals: fulfillment of entry level course requirements at MATC, and achievement of a dual certification consisting of a Career Education Academy high school diploma and a MATC certificate in a chosen field.

Students will master measurable performance standards as defined in state statutes and MATC course requirements.

Students will master conceptual and critical thinking skills, and technical reading and writing.

Students will develop the ethics and values for responsible citizenship and employment.

Students will also understand the value of teamwork by learning to work in high performance teams.

Students will be able to define and explain the interconnected social, economic, political and educational issues that affect their lives and organizations.

Students will develop an appreciation for entrepreneurship and capitalism.

Students will develop habits that enhance continuous life-long learning.

The CEA will be based on two key building blocks. First, Wisconsin's state academic standards will be a foundation for the program and the assessment of student achievement. Second, the MATC entrance requirements will also guide the program.

- (4) The methods the School will use to enable pupils to attain the educational goals under § 118.01, *Wisconsin Statutes*:

The key instructional methodologies used with students will include:

- Direct instruction
- Cooperative learning
- Computer-assisted instruction
- Project-based learning
- Performance-based instruction
- Student shadowing and internships
- Individual projects
- Socratic teaching
- Individualized instruction
- Multi-faceted instruction

To carry out these methodologies an annual educational plan will be developed and implemented. Program implementation will be ensured by on-going staff development and assistance from administrators and by the creation of a safe and orderly educational environment

The following local measures and assessments will be used, in addition to standardized tests, to ensure and measure pupil progress:

Conduct of structured classroom observations

Monitoring of teacher strategies

Maintain portfolios of student learning consisting of exams, papers, and projects

Publish annual accountability reports

(5) The method by which pupil progress in attaining the educational goals under § 118.01, *Wisconsin Statutes*, will be measured:

- (a) As required by chs. 118 and 121, *Wisconsin Statutes*, the Charter School shall, on behalf of the District, administer the examinations under §§ 118.30(1m) and 121.02(1)(r) to pupils enrolled in the Charter School and shall cause the testing data for the Charter School to be transmitted to the Office in such form as the District shall customarily transmit such data.

- (b) With respect to examinations required under §§ 118.30(lm) and 121.02(1)(r), the Parties hereby agree that, if the District's Board of School Directors shall develop or adopt any of its own examination(s) (in lieu of the Department's examination(s)) for administration to the District's pupils, the Charter School may elect to administer and transmit testing data for either the Department's or the District's examination(s). In that event, the Charter School shall provide the Office six months' notice of its plan to use such examination(s) and shall give the Chancellor a timely opportunity to comment on the intended change.
- (6) The governance structure of the School, including the method to be followed to ensure parental involvement:

As a program of Seeds of Health, Inc. the affairs of CEA are managed under the direction of the Seeds of Health Board of Directors. The Executive Director is the chief executive responsible for management of the agency, reporting to the Board of Directors. The operations of CEA shall be managed by a principal reporting to the Executive Director and to the CEA School Council. The School Council shall meet quarterly or more often as needed, and shall be responsible for establishing and reviewing policies for the operation of CEA and for ensuring the accountability of its staff and students. The School Council shall also be responsible for assessing the success of the programs of CEA.

The School Council shall have 9 members representative of the various stakeholders in the school to include:

one student; two parents; two business owners/community representatives; two members of the Seeds of Health Board of Directors; a representative from MATC; and the Executive Director.

The initial School Council will be appointed by the Seeds of Health Board of Directors. Members will be appointed to new terms upon the recommendation of the School Council, and approval by the Board of Directors. All members of the Council shall serve one year terms and may be reappointed to successive terms except that no parent may serve more than three terms and no student may serve more than one term.

The Seeds of Health Board of Directors shall appoint the business/community representatives and the representatives of the Board. The MATC representative will be appointed by the MATC administration.

Candidates for appointment as parent members of the Council will be chosen by lot from among those parents indicating an interest in serving after a general solicitation of interest from among the parent body of the school. Candidates for appointment as student member of the Council will be chosen by vote of the student body.

- (7) Subject to Applicable Law, the qualifications that must be met by the individuals to be employed in the School:

All school personnel for whom licensure is required under §§ 118.19(1) and 121.02(1)(a)2, *Wisconsin Statutes*, shall hold a license or permit to teach issued by the Department.

Notwithstanding the foregoing, however, the Parties acknowledge and agree that the Charter School is not an instrumentality of the District, and thus that the Charter School is not subject to requirements arising in connection with §§ 118.40(7)(a) and 118.40(7)(am).

- (8) The procedures that the School will follow to ensure the health and safety of the pupils:

The CEA shall comply with all policies and all local, state and federal laws, codes, rules, and regulations that apply to public schools and pertain to health and safety. In order to do this a safety and crisis handbook will be used by the school. The handbook reflects the best practices in area schools and complies with the District's safety and crisis requirements.

Emergencies:

Emergency Contact/Medical Information is filed in the school office. Each student is required to return the completed form to school no later than the end of first week of enrollment. Parents are responsible for informing the School Secretary of any changes regarding guardianship, residency and telephone number. Parents should also inform the principal regarding custody rights of separated families.

Accident:

Students who are involved in an accident or suffer an injury must immediately notify the Principal. An accident report will be completed and the parent/guardian will be contacted. If necessary, the injured student will be transported to the nearest medical facility and the parent/guardian will be notified.

Medication:

Students required to take prescription medication at school must comply with the District's procedures:

Over-the-counter medication:

If a student is under the age of 18 a parent/guardian must sign the over-the-counter medication form and provide the School office with the medication. Updated records must be sent to the School office.

Smoking:

Under Wisconsin law minors can be cited for possession of tobacco products. Smoking is prohibited on school grounds.

Immunizations:

The CEA shall ensure that all of its pupils comply with Wisconsin immunization requirements.

Suspected Child Abuse and Neglect:

When there is a reasonable cause to believe that a child(ren) have been abused or neglected, School personnel must act in accordance to Wisconsin Statutes and report such incidents to the Milwaukee County Bureau of Child Welfare and/or the Milwaukee Policy Department.

Universal Precautions:

The risk of transmission of blood borne diseases in a normal school setting can occur. The standard approach is called Universal Precautions. Both Hepatitis B vaccinations and training related to Universal Precaution are a part of our employee requirements. The school will comply with all Wisconsin Department of Commerce standards as provided by Chapter Comm 32--Public Employee Safety and Health.

Fire/Tornado Drills:

Floor plans with emergency exits are posted in all classrooms. Each student will be instructed and should be aware of the fire exit and tornado shelter plan. Fire drills will occur several times during the school year. A tornado drill will be held once per year or as necessary.

Communicating False Alarms:

Any person who purposely initiates or circulates a report of a present, past or impending bombing, fire, offense, catastrophe, or other emergency knowing that the report is false or baseless and could likely result in response by emergency personnel or cause the evacuation or partial evacuation of a school building is subject to prosecution under Wisconsin law.

School Closings:

In the event of inclement weather, the CEA will be closed when the District's schools are closed. Announcements will be made over local television and radio stations.

Harassment Policy:

It is the policy of Seeds of Health to maintain an environment that is free from sexual harassment. The schools, therefore, prohibit any form of sexual harassment. Any student who feels he/she has been subjected to sexual harassment by another student or staff member, should contact the Principal to report the harassment. The Seeds of Health Director of Human Resources will act as an investigator and meet separately with each individual involved in the complaint.

Security Scans:

To provide a safe and secure environment random security scans will be conducted throughout the year.

Weapons are not permitted in the School building or on School grounds. All persons entering the building may be required to submit to a metal detector scan and to a personal search. To ensure that weapons are not brought into the building, bags and parcels may also be searched.

Visitors:

All visitors during the School day will be required to report to the office and receive permission to remain in the building. Building passes will be issued to approved visitors. Students from other schools are not allowed to visit during regular school hours unless they are conducting official school business.

Entry Security:

The doors to the school building will be secured and entrance admitted by the front desk only.

Locker Searches

All lockers will be searched on a random basis.

Facility:

Bathrooms and other areas where students congregate will be checked for weapons, gang marking, or contraband.

Security:

The security guard will tour the facility at least three times a day.

The security guard is on call to respond to serious situations and to assist in providing for the safety of students and staff.

A relationship with the Milwaukee Police Department School Squad shall be established and maintained.

Security cameras will be used to secure the outside perimeter of the building as well as places within the school building.

Background Checks:

The CEA will perform background screening on all Charter School full and part-time employees and volunteers and shall not assign any employee or volunteer to teach or work with pupils until the CEA investigates and determines that there is nothing in the background of the employee or volunteer which would render the employee or volunteer unfit to teach or work with pupils of the CEA, including, but not limited to, conviction of a criminal offense or pending charges which substantially relate to the duties and responsibilities assigned to the employee or volunteer.

The Charter School shall also comply with all Applicable Laws. In addition, § 118.32, *Wisconsin Statutes*, which prohibits a strip search of a pupil, shall apply to the Charter School.

- (9) The means by which the School will achieve a racial and ethnic balance among its pupils that is reflective of the school district population:

The CEA's marketing plan will be designed to help inform parents of its availability and to develop and implement an appropriate student recruitment strategy to ensure an ethnic and racial balance among the student body. In addition, the CEA will use its best efforts to establish and maintain a diverse pupil profile.

- (10) The requirements for admission to the School:

The Career Education Academy will be open to all students living in the City of Milwaukee who desire a program that leads to a technical or professional career, and who support the school's mission and agree to be committed to the School's instructional and operational philosophy. The CEA, as the LEA (Local Education Authority), shall comply with all of the requirements of the Individuals with Disabilities in Education Act, 20 U.S.C. § 400 et. seq., and Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794. The CEA shall provide a free and appropriate public education (FAPE) to children with disabilities, including, but not limited to, identifying, evaluating, planning educational programs, and implementing placements in accordance with those Acts.

Before students enter the School program, their parents/guardians will be invited to learn about the programs the School offers and a copy of the charter will be made available for any parent/guardian to read. An application signed by the parent/guardian must be submitted to process the student through the School's

admission procedures. Each student must undergo a reading and math assessment for placement purposes, but not to determine eligibility for admission.

If more students apply for admission than there are seats available, the CEA will use the following process: A waiting list will be maintained by the Principal, and as space becomes available the first student on the list will be called. Students will continue to be called until the program is filled. When the number of applicants exceeds capacity, the CEA shall reserve the right to grant priority in admission to siblings of current students.

The CEA is non-sectarian in its programs, admissions policies, employment practices, and all other operations, does not charge tuition, and does not discriminate on the basis of race, ethnicity, national origin, sexual orientation, gender or disability.

- (11) The manner in which annual audits of the financial and programmatic operations of the School will be performed:

The Grantee shall submit audited financial statements of the Charter School's operation, including auditor's management letters and any exceptions noted by the auditors, to the Office annually beginning after the first full school year. The audit reports shall be prepared by a certified public accountant and submitted to the Office within 120 days after the end of the Grantee's fiscal year on June 30. In addition, the Grantee shall submit to the Office, with the audited financial statements, a list of expenditures in each of the following categories and subcategories:

(a) Total Revenue

- (1) State aid
- (2) Federal aid
- (3) Other

(b) Total Expenditures

- (1) Instruction
- (2) Pupil services including special education
- (3) Instructional support including curriculum development, library/media and faculty/staff development
- (4) School board
- (5) Administration
- (6) Facilities
- (7) Transportation
- (8) Food service
- (9) Debt service
- (10) Uncategorized

(12) The procedures for disciplining students:

Students need order and discipline to be successful. Learning cannot take place amid disruption. Specific, positive expectations will be established by the staff, in conjunction with the input of parents and students. Discipline and decorum will be a part of the student responsibilities contract. While there is going to be a strong system support for students, students need to respect themselves, their peers, and the School. Students will be active in and responsible for their behavior.

The CEA shall not discipline pupils protected under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, the Individuals with Disabilities in Education Act, 20 U.S.C. §§ 1400 et. seq. and the Americans with Disabilities Act, 42 U.S.C. §§ 1210 et. seq. except in compliance with the requirements of those Acts.

Section 118.31, *Wisconsin Statutes*, which prohibits corporal punishment of pupils, shall apply to Charter School. Sections 118.32 and 948.50, which prohibit a strip search of a pupil, shall apply to the CEA.

The discipline procedures will follow stated, clear behavior guidelines and rules. These rules will be published with the school calendar and as part of the student and parent handbook and they will be reviewed with the students. Rule violations can result in suspension or immediate expulsion.

Teachers will be responsible, with their students to maintain proper decorum and a positive learning environment. If teachers need assistance, then the Principal or guidance counselor will become involved with authority to assist the teacher or to take one or more of the following actions:

- A conference with teachers and parents/guardians
- Referral to school psychologist
- Teacher or team conferences
- Behavior Contracts
- Administrative discipline
- Suspension
- Formal disciplinary hearing

- Transfer
- Referral to specific agencies for additional help

The Principal will be responsible for coordinating any disciplinary intervention plan. Weekly meetings with teachers will be held to communicate about the effectiveness of the intervention. In addition, every staff meeting will include an agenda item to discuss student behavior.

If necessary, a formal disciplinary meeting will be held, complete with a formal due process procedure. The following process will be used in these formal hearings (appropriate records and minutes of these meetings will be maintained).

Students and parents/guardians will be given written notification of the charges and the time and place of the hearing.

Students may be represented, if they desire.

The school disciplinary hearing board composed of three teachers, a parent, and the Principal will conduct a hearing within five days of notice to parents/guardians and teachers.

The disciplinary hearing board will make a decision.

If the student wants to appeal the decision, he/she may appeal to an appeal board, composed of two members of the Board of Directors of Seeds of Health, two staff members, and one parent from the School Council.

The decision of the appeal board will be final.

Discipline procedures will provide the due process to which students are entitled under law. A student handbook will define the appeal procedures students or parents may follow. Staff members will be trained in positive ways to establish and maintain a learning climate and students will be informed of the behavior and learning experience for them.

Suspendable offenses include, but are not limited to: disrespectful behavior to teachers or others, fighting, graffiti or tagging, inappropriate language, sexual harassment, beepers, smoking in the building, wearing inappropriate clothing (e.g. drug related shirts, hats, gang wear) and other behavior disruptive to the instructional process and operation of the school.

Expellable offenses include, but are not limited to: bringing weapons to school or using other objects as weapons to inflict harm to others, bringing or using other assaultive objects, bringing drugs or related paraphernalia to school, using or selling drugs or other illegal substances.

- (13) The public school alternatives for pupils who reside in the school district and do not wish to attend or are not admitted to the Charter School:

Any school program offered by or under the auspices of Milwaukee Public Schools.

Under § 118.40(6), *Wisconsin Statutes*, no pupil may be required to attend the Charter School. Students who reside in the District and do not wish to attend the Charter School remain eligible to attend the District's schools.

- (14) A description of the school facilities and the types and limits of the liability insurance that the School will carry:

The Career Education Academy will be located at 1445 South 32nd Street, Milwaukee, Wisconsin or at such other comparable suitable site in the City of Milwaukee as the Grantee may determine. The 32nd Street property was purchased by Grantee from the School Sisters of St. Francis by Seeds of Health in 1996.

Grantee shall provide the Office with evidence of a lease or ownership of the School premises, and of an occupancy permit in accordance with the provisions of Section 7.4 of this Contract.

The Grantee shall provide the following minimum liability insurance coverages with limits in respect to the Charter School as set forth below:

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Fidelity Bond Coverage (for the employees and Board Members of the Charter School and its sponsoring organizations and management companies who are responsible for the financial decisions of the Charter School, including the CEO, DVO and Board Members of the Charter School and its sponsoring organizations and/or management companies)	
Limit per Loss	\$500,000
B. Worker's Compensation	
Worker's Compensation	Statutory Coverage
Employer's Liability Limits:	

Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee

- C. Commercial General Liability (deleting any X, C, and U exclusions, as well as any exclusions for sexual abuse and molestation, corporal punishment, athletic events, and use of gymnasium equipment)

Each Occurrence Limit	\$1,000,000
Personal & Advertising	\$1,000,000
General Aggregate	\$3,000,000
Products-Completed	
Operations Aggregate	\$3,000,000
Medical Expense	\$5,000

- D. Auto Liability

Combined Single Limit	\$1,000,000 each accident
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- E. Umbrella (providing excess employer's liability, general liability and auto liability coverage)

Each Occurrence Limit	\$5,000,000
General Aggregate Limit	\$5,000,000

- F. School Leader's Errors & Omissions

Aggregate Limit	\$1,000,000
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The Board shall be named as an additional insured under relevant insurance policies, as its respective interests may appear. A certificate of insurance evidencing the aforementioned insurance requirements is to be provided to the Office annually, prior to the start of each academic year. Under no circumstances is the Board's right to recovery of damages limited to the fact that the Board is named as an additional insured under the insurance policies noted above.

The Grantee shall require subcontractors of the Charter School to be insured and provide a certificate of coverage providing for the following:

- | | |
|---------------------------------|--------------------|
| A. Workers Compensation | Statutory Coverage |
| B. Commercial General Liability | |
| Each Occurrence Limit | \$1,000,000 |
| General Aggregate | \$1,000,000 |

Products-Completed	
Operations Aggregate	\$1,000,000
C. Automobile Liability	
Combined Single Limit	\$1,000,000

In addition, for high risk subcontractors providing the following services: air charter, asbestos abatement, building construction and remodeling, custodial, daycare, elevator maintenance, manual food service, medical services, recreational services/high risk entertainment, refuse transportation and disposal, security, and transportation of people, the Grantee shall require subcontractors to provide a certificate of additional coverage for the coverage and in the amounts described in the UW-System Risk Management Manual, the relevant portion of which is attached hereto at Appendix A. Should Grantee be unable to obtain proof of insurance as required in this subsection from a particular subcontractor, Grantee may seek a written waiver of the above provisions from the University's Risk Manager by directing such a request to the Office.

For the purposes of this subparagraph, "subcontractor" is defined as any third party or entity with which Grantee contracts for the provision of goods or services related to the school, whose employees or representatives will have face-to-face contact with students, staff, or the school site, and which subcontractor is not expressly covered by the Grantee's own liability insurance coverage as described above.

(15) The effect of the establishment of the Charter School on the liability of the University:

(a) The University shall not be liable to any person not a Party to this Contract on account of the establishment or operation of the Charter School. Further, the University assumes no obligation with respect to any officer, director, employee, agent, parent, guardian, student, or independent contractor of the Grantee or the Charter School, or any other persons contracting with the Grantee.

(b) The Parties agree that nothing contained in this Contract will create any association, partnership, or joint venture between the Parties, or any employer-employee relationship between the University and the Grantee or the Charter School.

Section 3.2 Nonsectarian Practices. The Charter School shall be nonsectarian in all its programs, admissions policies, employment practices and all other operations.

Section 3.3 Tuition. To the extent provided in the Wisconsin Statutes (§118.40), the Charter School shall not charge tuition.

Section 3.4 Anti-discrimination. The Charter School may not discriminate in admission or deny participation in any; program or activity on the basis of a person's sex, race,

religion, national origin, ancestry, pregnancy, marital or parental status, sexual orientation or physical, mental, emotional or learning disability.

ARTICLE FOUR

ADDITIONAL OBLIGATIONS OF THE GRANTEE

Grantee hereby covenants to undertake the following:

Section 4.1 Compliance with Applicable Law. The Charter School shall comply with Applicable Law, which may change from time to time and which may include, but is not limited to:

- (1) Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d-2000d-7;
- (2) Title IX of the Education Amendments of 1972, 20 U.S.C. §§ 1681 et seq.;
- (3) Age Discrimination Act of 1985, 42 U.S.C. §§ 6101 et seq.;
- (4) Sec. 504 of the Rehabilitation Act of 1974, 29 U.S.C. § 794 and the Americans with Disabilities Act, 42 U.S.C. §§ 12101-12213.
- (5) Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400-1485;
- (6) General Education Provisions Act, 20 U.S.C. §§ 1221-1234i;
- (8) Drug-Free Workplace Act, §§ 41 U.S.C. 701 et seq.;
- (9) Asbestos Hazard Emergency Response Act, 15 U.S.C. §§ 2641-2655; and
- (10) No Child Left Behind Act of 2001 and its implementing regulations, 20 U.S.C. 6301 to 6578, 34 C.F.R. § 200.

If the Applicable Law requires the Office to take certain actions or establish requirements with respect to the Grantee, Grantee shall cooperate with those actions and comply with those requirements.

To the extent that the No Child Left Behind Act of 2001 (the “NCLB”) is applicable to the Charter School, the Grantee agrees that the Grantee will comply with the responsibilities and obligations of the Title I, Part A accountability provisions as specified under the NCLB or its implementing regulations established by the U.S. Department of Education, which currently include participating in statewide assessments, meeting the state adequate yearly progress definition, meeting public and parent reporting requirements, implementing school sanctions if Grantee is identified for school improvement, and meeting the highly qualified teachers and paraprofessional requirements.

Section 4.2 Non-profit Status. The Charter School shall be created, maintained, and operated by the Grantee, a nonstock corporation created under chapter 181, Wisconsin Statutes. The Grantee shall provide to the Office documentary evidence that it is a nonstock organization in good standing under the laws of the State of Wisconsin, including a copy of its By Laws, by the date this Contract is executed. The Grantee shall remain a nonstock corporation under the laws of Wisconsin for the duration of this Contract and shall from time to time (but not more often than annually) after the date this Contract is executed, as the Chancellor requests,

provide the Office documentary evidence that confirms its good standing and its nonstock status.

Section 4.3 Background Screening. The Grantee shall, at its own expense, perform or cause to be performed background screening through the State of Wisconsin Department of Justice of all full and part-time employees and volunteers engaged at the Charter School as teachers or otherwise having access to pupils, and shall not assign any employee or volunteers, to teach or otherwise to have access to pupils until the Grantee or its designee investigates and determines that there is nothing in the disclosed background of the employee or volunteer which would render the employee or volunteer unfit to teach or otherwise have access to pupils of the Charter School including, but not limited to, conviction of a criminal offense or pending charges which substantially relate to the duties and responsibilities assigned to the employee or agent, including volunteers. For purposes of this Section, “volunteer” shall mean a non-paid person who serves at the Charter School and who provides services on a regular and ongoing basis for more than 5 hours per calendar week, but shall not under any circumstances include any parent of a student enrolled in the Charter School, unless the parent is employed by the Charter School.

Section 4.4 Employment of Personnel. The Grantee or its agents or designees shall contract with personnel in accordance with all state law requirements, regarding certification and qualifications of employees of public schools, including but not limited to, § 118.19 and § 121.02, *Wisconsin Statutes*, certification of school personnel. The Grantee shall provide to the Office a copies of all faculty and staff certification reports filed with the Wisconsin Department of Public Instruction and showing that such personnel are licensed as required by this section or have applied for licensure from the Department. The Grantee or its designee shall make available to the Office, upon request, all licenses, certifications, and employment contracts for personnel engaged at the Charter School.

Section 4.5 [Omitted]

Section 4.6 Administrative Fee.

- (1) The Grantee shall pay to the University annually an administrative fee to reimburse the University for the actual direct and indirect costs of administering this Contract during each period of July 1 to June 30 during the Term of this Contract, which actual costs shall include but not be limited to execution of the University’s oversight responsibilities. Actual costs shall not include research fees. The administrative fee shall be determined by the University but shall not exceed 3% of the amount paid to the Grantee each year by the Department under Article Five, Section 5.2 of this Contract.
- (2) Not later than May 1 of each year during the term of this Contract, the University shall provide the Grantee with an itemized budget showing the University’s best estimate of its proposed total expenditures for administering the Contract during

the upcoming period of July 1 to June 30. The Grantee shall thereafter pay to the University the amount of such proposed total expenditures, doing so in four (4) equal payments, each due within ten (10) days after the Grantee shall have received from the Department a quarterly payment payable under § 118.40(2r)(e), *Wisconsin Statutes*.

- (3) In addition, not later than August 1 of each year during the term of this Contract, the University shall provide the Grantee with an end of year financial statement showing the University's actual total expenditures for administering the Contract, as provided in this Section 4.6, during the period of July 1 to June 30 then just completed. Within ninety (90) days after the Grantee receives such end of year financial statement, the University shall pay to the Grantee, or the Grantee to the University, as the case may be, the difference between (i) the amount of the University's actual total expenditures during the period of July 1 to June 30 summarized in such end of year fiscal statement and (ii) the amount paid by the Grantee with respect to such period. Any reconciling payments made by Grantee pursuant to this Section 4.6(3) shall, however, remain subject to the 3% cap on aggregate administrative fees imposed by Section 4.6(1).

Section 4.7 Student Activities' and Rental Fees.

- (1) The Charter School may assess reasonable pupil fees for activities such as field trips and extracurricular activities, which fees shall not exceed the actual cost to provide such activities. The Charter School may also assess reasonable rental fees for the use of such items as towels, gym clothing, and uniforms, which fees shall not exceed the actual cost to provide such items. The Charter School may not, however, prohibit an enrolled pupil from attending the Charter School, or expel or otherwise discipline such a pupil, or withhold or reduce the pupil's grades because the pupil has not paid fees permissibly charged under this Section.
- (2) The Charter School may require its pupils to purchase and wear uniforms, but no Party shall benefit from the sale of uniforms to pupils.

Section 4.8 Transportation Contracts. Grantee may enter into contracts with other school districts or persons, including municipal and county governments, for the transportation of Charter School students to and from school and for field trips.

Section 4.9 Inspection of Charter School Facilities. Grantee shall permit any designee(s) of the Chancellor to inspect Charter School facilities at any time during the term of this Contract, provided that such inspection shall not materially interfere with the orderly and efficient operation of the Charter School.

Section 4.10 Access to Charter School Records. Subject to Applicable Law, Grantee shall grant any designee(s) of the Chancellor upon reasonable notice the right to reasonably inspect and copy at cost any and all Charter School records and documents, including but not limited to pupil records, at any time within normal business hours during the term of this Contract; provided, however, that such

inspection shall not materially interfere with the orderly and efficient operation of the Charter School or otherwise unduly burden the staff of said school.

Section 4.11 Financial Reports. As required under Section 3.1(11) of this Contract, Grantee shall submit audited financial statements of the Charter School's operation, including auditor's management letters and any exceptions noted by the auditors, to the Office annually. The audit reports shall be prepared by a certified public accountant and submitted to the Office within 120 days after the end of the Grantee's fiscal year on June 30. Audits shall be conducted in accordance with generally accepted auditing standards and with the prevailing Government Auditing Standards issued by the Comptroller General of the United States. Audited statements shall be prepared in accordance with "Generally Accepted Accounting Principles" [GAAP].

In addition, at the same time the audit report is submitted to the Office, the Grantee shall provide to the Office a report of the Charter School's expenditures in each of the categories and subcategories listed in Section 3.1(11). In the case that the Grantee contracts with one or more management companies for the operation or administration of the Charter School, the report shall include the management companies' expenditures on behalf of the Charter School.

Section 4.12 School Year Calendar. The calendar for each school year shall be submitted to the Office no later than the prior June 1 and shall be subject to the approval of the Chancellor or Chancellor's designee. If the Chancellor or Chancellor's designee does not notify the Grantee otherwise, the calendar shall be deemed approved 30 days after submission to the Office.

Section 4.13 Grant Applications. Grantee shall submit to the Office copies of any applications for grants made on behalf of the Charter School at the time the application is submitted to the funding authority.

ARTICLE FIVE

JOINT RESPONSIBILITIES OF THE PARTIES

The Parties agree to take the following actions:

Section 5.1 Operation or Management Contracts and Other Sub-contracts.

- (1) The Chancellor reserves the right to review and approve beforehand any Operation or Management Contract for operation or management of the Charter School that the Grantee wishes to itself enter into with any third party not treated by the Grantee as an employee of the Grantee; provided, however, that such approval shall not be unreasonably withheld, conditioned, or delayed. An "Operation or Management Contract" is a contract (i) that relates to the creation, implementation, or operation of the academic program, instruction, supervision, administration, or business services at the Charter School and (ii) that contemplates an aggregate liability of more than \$50,000 per fiscal year.

- (2) The Grantee shall submit to the Office a copy of any proposed Operation or Management Contract and shall not enter into any such contract until the Chancellor or the Chancellor's designee shall have approved (or be deemed to have approved) the same. The Chancellor or the Chancellor's designee shall have 30 Days after receiving the proposed completed Operation or Management Contract to review the document and to deliver to the Grantee a written statement approving or rejecting such contract. If the Chancellor or the Chancellor's designee does not within such 30 Days object in writing to the proposed completed contract, the contract shall be deemed approved. If the Chancellor or the Chancellor's designee rejects the proposed contract, however, the Chancellor or the Chancellor's designee shall also within the 30 Day review period hereunder advise the Grantee in writing of its specific objections to the proposed contract. The Grantee may thereafter modify (and remodify) the proposed contract and continue submitting the modified contract for the approval of the Chancellor or the Chancellor's designee, which approval shall not be unreasonably withheld, conditioned, or delayed.
- (3) Every Operation or Management Contract: (i) shall be written and executed by both the Grantee and the third party; (ii) shall contain the third party's covenant to submit to the Office any documentation material to the Office's efforts to assist the Chancellor in carrying out its oversight responsibilities; and (iii) shall provide that the third party shall, subject to Applicable Law, grant the Chancellor or the Chancellor's designee and the Grantee the right to inspect and copy at cost any and all third party records and documents directly related to the terms and conditions of this Contract, including pupil records. In addition, every Operation or Management Contract with a third-party provider of educational management services shall specify the nature and methods of compensation for such third-party provider of educational management services, and shall specify the methods and standards the Grantee shall use to evaluate the performance of the third party.

Section 5.2 Payments to Charter School. Upon execution of this Contract, the Chancellor shall notify the Department in a timely fashion of the Grantee's eligibility for funds under § 118.40(2r)(e). The Grantee shall be paid by the Department the amount during each school year as specified by § 118(2r)(e), Wisconsin Statutes, and applicable rules and policies of the Department.

Section 5.3 Performance Evaluation of Certain Subjects.

- (1) The University shall evaluate the performance of the Charter School in the areas of leadership, strategic planning, student, stakeholder, and market focus, information and analysis, process management, and organizational performance results as set forth in the Educational Criteria for Performance Excellence of the Baldrige National Quality Program. A description of the specific measures that shall be used to evaluate such areas shall be provided to the Grantee annually, no later than 60 days prior to the start of each academic year.

- (2) The Grantee shall provide to the University the following required reports, at the times described below:
- (a) Strategic Plan. The Grantee must provide a strategic plan to the University by August 1 prior to the first year of the operation of the Charter School. The strategic plan should specify the mission and vision of the school, identify the target population of students, and establish strategic goals for the development of the school. The Grantee shall resubmit the strategic plan to the Office upon each revision. In addition, a revised strategic plan must be submitted to the Office by August 1 immediately following any renewal of the initial term of the Contract.
 - (b) School and Organization Profile. No later than October 1 of each school year, the Grantee shall submit to the Office a school profile which provides general information about the school and its operations.
 - (c) Annual School Accountability Plan. No later than July 1 of each school year, the Grantee shall submit to the Office for approval a school accountability plan which sets forth, in measurable terms, goals for school improvement in the following school year. If the Charter School has not made Adequate Yearly Progress (“AYP”) under the NCLB, as determined by the State of Wisconsin, this plan shall include a detailed description of the Grantee’s plans to implement any of the responsive and/or corrective requirements of the NCLB in the following school year.
 - (d) Annual School Accountability Progress Report. No later than July 1 of each school year, the Grantee shall submit a school performance report to the Office which states how the school has made progress on the goals identified in the school accountability plan established the prior year. This report shall include a description of how the Charter School is or is not meeting the State of Wisconsin’s definition of Adequate Yearly Progress under the NCLB and, if the Charter School has not made AYP in the past, a detailed description of the Charter School’s compliance with the responsive and/or corrective requirements of the NCLB in the prior year.

ARTICLE SIX

NOTICES, REPORTS AND INSPECTIONS

- Section 6.1 Notice of Annual Budget. The Grantee shall provide the Office with a copy of the proposed annual Charter School budget for the upcoming academic year no later than the June 30 immediately preceding the beginning of each such academic year.

Section 6.2 Other Notices.

- (1) **Agendas and Meetings.** If the Charter School shall itself be constituted as a corporation, it shall provide to the Office agendas and notice in advance of all meetings of the Charter School board of directors.
- (2) **Governmental Agencies.** Grantee shall immediately notify the Office when either Grantee or the Charter School receives any correspondence from the Department or the United States Department of Education and the Department that requires a formal response, except that no notice shall be required of any routine or regular, periodic mailings.
- (3) **Legal Actions.** The Charter School shall immediately report to the Office any material litigation or formal Court proceedings alleging violation of any Applicable Law with respect to the Charter School.

Section 6.3 Certain Reports. The Grantee shall at its expense provide such information and nonperiodic reports as the Office or the Office shall reasonably deem necessary to confirm compliance by Grantee and the Charter School with the terms and conditions of this Contract.

Section 6.4 Omitted.

ARTICLE SEVEN

MISCELLANEOUS PROVISIONS

Section 7.1 Athletic and Other Associations. The Charter School may, but shall not be required to, join any organization, association, or league as is customary for public schools in the State of Wisconsin which has as its objective the promotion and regulation of sport and athletic, oratorical, musical, dramatic, creative arts, or other contests by or between pupils.

Section 7.2 Code of Ethics. Any member of the Seeds of Health Board of Directors, School Council and any of the officers of the Grantee directly related to the implementation of the terms and conditions of this Contract (collectively referred to as “the board members”) shall be subject to the following code of ethics.

“Anything of value” means any money or property, favor, service, payment, advance, forbearance, loan, or promise of future employment, but does not include compensation paid by Grantee for the services of a member of the board, or expenses paid for services as a board member, or hospitality extended for a purpose unrelated to Charter School business.

“Immediate family” means a board member’s spouse and any person who receives, directly or indirectly, more than one half of his or her support from a board member or from whom a board member received, directly or indirectly, more than one half of his or her support.

- (1) No board member may, in a manner contrary to the interests of the Charter School, use or attempt to use his or her position or Charter School property, including property leased by the Charter School, to gain or attempt to gain anything of substantial value for the private benefit of the board member, his or her immediate family or any organization with which the board member is associated.
- (2) No board member may solicit or accept from any person or organization anything of value pursuant to an express or implied understanding that his or her conduct of Charter School business would be influenced thereby.
- (3) No board member may intentionally use or disclose confidential information concerning the Charter School in any way that could result in the receipt of anything of value for himself or herself, for his or her immediate family or for any other person or organization with which the board member is associated.
- (4) (a) If a board member, a member of a board member's immediate family, or any organization with which a board member is associated proposes to enter into any contract (including a contract of employment) or lease with the Grantee that may within any 12 month period involve payments of \$3,000 or more derived in whole or in part from payments made pursuant to § 118.40(2r)(e), such board member shall be excused from, and shall not participate in, any dealing, discussion, or other position of approval or influence with respect to the Grantee's entering into such contract or lease; provided, however, that such board member may be part of a discussion concerning such proposed contract or lease for the limited purpose of responding to board inquiries concerning such contract or lease.
- (b) Provided that the board member is not in a position to approve or influence the Grantee's decision to enter into such contract or lease and that the procedures set forth in Section 7.2(4)(a) are observed, a board member may enter into a contract or lease described in Section 7.2(4)(a) if the board member shall have made written disclosure of the nature and extent of any relationship described in the paragraph (a) immediately preceding to the Office.

Section 7.3 Use of University Marks. Neither Grantee nor the Charter School nor any of their subcontractors may use the name, logo, or other mark designating the University without the expressed prior written consent of the Chancellor, nor may the name, logo, or other mark designating the Board of Regents of the University of Wisconsin System without the expressed prior written consent of the Board of Regents.

Section 7.4 Copies of Certain Documents. Upon request, Grantee shall provide to the Office at least 90 days before the start of a school year (1) copies of its lease or deed for the premises in which the Charter School shall operate; (2) copies of certificates

of occupancy and safety which are required by law for the operation of a public school in the State of Wisconsin.

Section 7.5 Public Records. The Grantee agrees to manage and oversee the Charter School in accordance with all applicable federal and state public records laws. For purposes of this Contract, the Grantee shall be deemed an “authority” as defined in § 19.32(1), *Wisconsin Statutes* and shall be subject to the public records law provisions of Ch. 19, *Wisconsin Statutes*, subchapter II.

Section 7.6 Open Meetings. The Grantee specifically agrees that the following meetings shall be open to the general public:

- (1) Submission of annual report to the School Council.
- (2) Consideration and recommendation of the annual budget of Charter School by the School Council.
- (3) All school admission lotteries.
- (4) Review of the annual audit of Charter School by the School Council.
- (5) Annual open house.

The Grantee shall use its good faith efforts to provide reasonable notice of the above listed meetings to the parent/guardian of each student attending the Charter School and shall notify the public according to § 19.84(1)(b), *Wisconsin Statutes*.

ARTICLE EIGHT

PROVISIONS FACILITATING UNIVERSITY RESEARCH

Section 8.1. Research. The Parties agree that the University may seek information from the Grantee and the Charter School for purposes of research. Prior to conducting such research, the University shall seek Grantee’s prior written approval which will not be unreasonably withheld. Information relevant to such research shall include, but not be limited to, the following:

- (1) Surveys. The University may survey individuals and groups (including but not limited to, parents, students, teachers, board members, others involved in the governance of the Charter School, and the public) concerning the performance of the Charter School, provided that such surveying (i) shall be done at the University’s sole expense and (ii) shall not materially interfere with the orderly and efficient operation of the Charter School. Grantee agrees to cooperate with the University’s efforts to conduct such surveys. Employment contracts with teachers employed at the Charter School shall specify that they shall cooperate with such surveys.

- (2) Pupil Testing. The University may seek to administer to each pupil of the Charter School (other than kindergarten pupils), in connection with the pupil's first enrolling in the Charter School, a one-time examination designated by the University. Such examination shall be administered at the University's sole expense and shall not materially interfere with the orderly and efficient operation of the Charter School. The results of any such examination shall be promptly shared with Grantee.
- (3) Parent/Guardian Evaluation Participation. The Grantee shall use its good offices to urge that each parent and/or legal guardian of a pupil enrolling in the Charter School sign, at the time of pupil registration, a written statement provided by the Office that the parent(s) and/or legal guardians agree to participate in an evaluation or research process that may include their responding in interview or questionnaire form about the performance of the Charter School.
- (4) Observers. As contemplated by the assessment protocols set forth in Section 5.3, Grantee agrees to accept on the Charter School's premises observers designated by the University to serve as observers of the activities of the Charter School, provided that the activities of such observers shall not interfere with the orderly and efficient conduct of education and business at the Charter School. Costs and expenses incurred for the evaluation activities of such observers shall be reimbursed to the University as part of the reimbursement owing under Section 4.6 of this Contract.

ARTICLE NINE

REVOCATION OF CONTRACT BY THE UNIVERSITY

Section 9.1 Events of Default by Grantee. This Contract may be terminated by the University under procedures in Section 9.2 if the University finds that any of the following Events of Default have occurred:

- (1) The pupils enrolled in the Charter School have failed to make sufficient progress toward attaining the educational goals under § 118.01, or have failed to achieve Adequate Yearly Progress, as determined by the State of Wisconsin pursuant to the federal No Child Left Behind Act, for 3 consecutive years;
- (2) The Grantee has failed to comply with generally accepted accounting standards of fiscal management with respect to the Charter School;
- (3) The Grantee is insolvent or has been adjudged bankrupt;
- (4) The Grantee's directors, officers, employees, or agents provided the University false or intentionally misleading information or documentation in the performance of this Contract; or
- (5) The Charter School has failed materially to comply with Applicable Law;

- (6) The Charter School has violated § 118.40, *Wisconsin Statutes*; or
- (7) The Grantee defaults materially in any of the terms, conditions, promises or representations contained in or incorporated into this Contract.

Section 9.2 Procedures for The University's Revocation.

- (1) Emergency Termination or Suspension Pending Investigation. If the Chancellor determines that any of the Events of Default set forth in Section 9.1 has occurred and that thereby the health or safety of the Charter School's students is immediately put at risk, the University shall provide Grantee written notice of such Event(s) of Default and, upon delivering such notice, (i) may either terminate this Contract immediately or (ii) may exercise superintending control of the Charter School pending investigation of the pertinent charge.
 - (a) If the University shall elect to exercise superintending control pending investigation of the pertinent charge, the University shall give Grantee written notice of the investigation, shall commence such investigation immediately, shall permit Grantee fairly to address the pertinent charge, and shall thereafter complete its investigation as quickly as reasonably practicable.
 - (b) Upon completing its investigation, the University shall promptly deliver to Grantee in writing either (i) a notice of immediate termination on the bases set forth in this Section 9.2, (ii) a notice of an Event of Default and an opportunity to cure pursuant to Section 9.2(2), or (iii) a notice rejecting the pertinent charge and reinstating control of the Charter School to Grantee.
- (2) Non-Emergency Revocation and Opportunity to Cure. If the Chancellor determines that any of the Events of Default has occurred but that such occurrence does not thereby immediately put at risk the health or safety of the Charter School's students, the University shall advise Grantee in writing of the pertinent occurrence and shall specify for Grantee a reasonable period of time (though in no instance less than 30 days) within which Grantee shall cure or otherwise remedy the specified Event(s) of Default to the reasonable satisfaction of the Chancellor.
 - (a) If Grantee shall not so cure or otherwise remedy the specified Event(s) of Default, the University may terminate this Contract by written notice delivered within 10 days after expiration of the specified period.
 - (b) If the University shall so terminate this Contract, termination shall become effective at the end of the next academic semester scheduled for the Charter School.

ARTICLE TEN

TERMINATION BY THE GRANTEE

Section 10.1 Grounds for Termination by the Grantee. This Contract may be terminated by the Grantee under procedures in Section 10.2 if Grantee finds that any of the following Events of Termination have occurred:

- (1) The Charter School has insufficient enrollment to successfully operate a public school;
- (2) Grantee's Operation or Management Contract with a third-party provider of educational management services has been terminated;
- (3) The Charter School has lost its right to occupy all or a substantial part of its physical plant and cannot occupy another suitable facility, at a cost deemed reasonable by Grantee, before the expiration or termination of its right to occupy its existing physical plant;
- (4) Grantee has not timely received any one of the payments contemplated under § 118.40(2r)(e);
- (5) Grantee has become insolvent or been adjudged bankrupt; or
- (6) The University defaults materially in any of the terms, conditions, promises or representations contained in or incorporated into this Contract.

Section 10.2 Procedures for Grantee Termination of Contract. Grantee may terminate this Contract according to the following procedures:

- (1) Notice. If the Grantee determines that any of the Events of Default set forth in Section 10.1 has occurred, Grantee shall notify the Chancellor of the pertinent Event(s) of Termination. The notice shall be in writing, shall set forth in sufficient detail the grounds for termination, and shall specify the proposed effective date of termination (which date shall, to the extent reasonably practicable, be the end of the next academic semester scheduled for the Charter School).

(2) Discretionary Termination.

- (a) As to the Event(s) of Termination set forth in Sections 10.1(1)-(2) and (6), the Chancellor may conduct a preliminary review of the alleged bases for termination to ensure that such bases are bona fide. Such review shall be completed promptly and, within 30 days after the Chancellor receives Grantee's notice, the Chancellor shall deliver to Grantee a notice (i) approving Grantee's requested termination or (ii) denying the same on the grounds that the asserted bases for termination are not in fact bona fide.
- (b) If such results of the review and the Chancellor's determination are not delivered to Grantee in writing within 30 days after the Chancellor receives Grantee's notice, Grantee's notice shall be deemed an approved basis for termination.

(3) Automatic Termination. As to the Event(s) of Termination set forth in Sections 10.1(3)-(5), termination shall be effective on the date set forth in Grantee's notice under Section 10.2(1).

Section 10.3. Final Accounting. Upon termination of the Contract, Grantee shall assist the Chancellor in conducting a final accounting of the Charter School by making available to the Chancellor all books and records that have been reviewed in preparing Grantee's annual audits and statements under Section 3.1(11) of this Contract.

ARTICLE ELEVEN

TECHNICAL PROVISIONS

Section 11.1 Term of Contract. The term of this Contract shall commence on the date of the execution of this Contract and continue until June 30, _____. During the third full academic year of this Contract the University shall conduct a review of the Charter School's performance to date. The University shall specify in writing for Grantee the subjects of the review at least 3 months prior to the beginning of the third full school year of the operation of the Charter School. The University shall complete the review and shall issue a written report by the end of the third full school year of the Contract. Results of the review shall serve as the basis for the University to determine whether it will negotiate another Contract with Grantee.

Section 11.2 Non-agency. It is understood that neither Grantee nor the Charter School is an agent of the University.

Section 11.3 Appendices. The following documents, appended hereto, are made a part of this Contract and Charter School agrees to abide by all the terms and conditions included herein:

Appendix A: Part 4.D of the UW System Risk Management Manual, Vendor Certificates of Interest

- Section 11.4 Application of Statutes. If, after the effective date of this Contract, there is a change in Applicable Law which alters or amends the responsibilities or obligations of any of the Parties with respect to this Contract, this Contract shall be altered or amended to conform to the change in existing law as of the effective date of such change.
- Section 11.5 Hold Harmless and Indemnification. To the extent allowed by law, Grantee shall hold harmless and indemnify the University against any and all liability whatsoever for injury to or death of any person or persons, or for loss of or damage to any property occurring in connection with or in any way incident to the Grantee's performance of its obligations under this Contract.
- Section 11.6 Amendments. This Contract may be amended only upon the written agreement of the Parties.
- Section 11.7 Severability. If any provision of this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. If any provision of this Contract shall be or become in violation of any federal, state, or local law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.
- Section 11.8 Successors and Assigns. The terms and provisions of this Contract are binding on and shall inure to the benefit of the Parties and their respective successors and permitted assigns.
- Section 11.9 Entire Agreement. This Contract sets forth the entire agreement among the Parties with respect to the subject matter of this Contract. All prior application materials, agreements or contracts, representations, statements, negotiations, understandings, and undertakings are superseded by this Contract.
- Section 11.10 Assignment. This Contract is not assignable by either Party without the prior written consent of the other Party.
- Section 11.11 Non-waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. No consent by any Party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.
- Section 11.12 Force Majeure. If any circumstances occur which are beyond the control of a Party, which delay or render impossible the obligations of such Party, the Party's obligation to perform such services shall be postponed for an equivalent period of

time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 11.13 No Third Party Rights. This Contract is made for the sole benefit of the Parties. Except as otherwise expressly provided, nothing in this Contract shall create or be deemed to create a relationship among the Parties or any of them, and any third party, including a relationship in the nature of a third party beneficiary or fiduciary.

Section 11.14 Governing Law. This Contract shall be governed and controlled by the laws of the State of Wisconsin.

Section 11.15 Notices. Whenever this Contract provides that notice must or may be given to another Party, or whenever information must or may be provided to another Party, the Party who may or must give notice or provide information shall fulfill any such responsibility under this Contract if notice is given or information is provided to:

To Grantee: Marcia L. Spector
Seeds of Health, Inc.
1445 S. 32nd Street
Milwaukee, WI 53215

with a copy to: David J. Hase
Cook & Franke S.C.
660 E. Mason Street
Milwaukee, WI 53202

To University: Director Robert Kattman
Office of Charter Schools
University of Wisconsin—Milwaukee
P.O. Box 413
Milwaukee, WI 53201-0413

with a copy to: Director of the Office of Legal Affairs
University of Wisconsin—Milwaukee
P.O. Box 413
Milwaukee, WI 53201-0413

Notice hereunder shall be effective if made by hand delivery to the pertinent Party or by United States mail, postage prepaid, certified with return receipt requested. Notices shall be effective (i) when actually received by the addressee, if made by hand delivery, or (ii) 2 days after delivering the pertinent notice to the control of the United States Postal Service, if made by certified mail with return receipt requested.

The undersigned have read, understand, and agree to comply with and be bound by the terms and conditions as set forth in this Contract.

FOR GRANTEE:

FOR THE UNIVERSITY:

John J. Peterburs
President

Carlos E. Santiago
Chancellor

Date

Date

APPENDIX A

Part 4.D of the UW System Risk Management Manual on Vendor Certificates of Insurance is attached hereto.

The University of Wisconsin-Milwaukee
Office of Charter Schools Contract Extension
with the Milwaukee Urban League Academy
of Business and Economics, Inc.

EDUCATION COMMITTEE

Resolution I.1.d.(2):

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 extension of the charter school contract with the Milwaukee Urban League Academy of Business and Economics, Inc., together with amendments to the contract, establishing a charter school known as the Milwaukee Urban League Academy of Business and Economics.

**UNIVERSITY OF WISCONSIN-MILWAUKEE
OFFICE OF CHARTER SCHOOLS CONTRACT AMENDMENT
WITH MILWAUKEE URBAN LEAGUE
ACADEMY OF BUSINESS AND ECONOMICS, INC.**

EXECUTIVE SUMMARY

INTRODUCTION

Charter schools are intended to offer quality education services to children through the creation of alternative public schools that are not subject to as many of the rules and regulations imposed on school districts. The charter school movement is one of the strategies used to expand the idea of public school choice in Wisconsin and the rest of the nation.

In 1997, Wisconsin law was modified to allow the University of Wisconsin-Milwaukee to charter public schools in the city of Milwaukee. Since then, the Board of Regents and the Chancellor of UW-Milwaukee have approved several charter schools, involving a variety of public and private partnerships working to improve educational opportunity and achievement for Milwaukee school children.

The Milwaukee Urban League Academy of Business and Economics (MULABE) was the second charter school authorized by the University of Wisconsin-Milwaukee and is in its fourth year of operation. The decision to renew or not renew a charter is made at the end of the third year of operation. Based on the evaluation conducted at that time, the Office of Charter Schools at UW-Milwaukee and Chancellor Santiago recommend that the Milwaukee Urban League Academy of Business and Economics, Inc., be granted a four-year extension to its charter to operate the public school known as the Milwaukee Urban League Academy of Business and Economics.

REQUESTED ACTION

Approval of Resolution I.1.d.(2), approving the Charter School contract amendment with the Milwaukee Urban League Academy of Business and Economics, Inc., to operate the public school known as the Milwaukee Urban League Academy of Business and Economics.

BACKGROUND

The University of Wisconsin-Milwaukee is authorized by Wis. Stat. 118.40 to charter K-12 schools within the city of Milwaukee. The University is committed to chartering only those schools that have the potential to make a significant difference in the educational lives of urban students. To this end, the Office of Charter Schools has developed rigorous requirements that schools must meet in order to obtain and maintain a charter. An initial charter is granted for a five-year period during which the school must demonstrate progress toward stated goals. The

decision to renew or non-renew a charter occurs at the end of the third year of operation (first semester of the fourth year) and is based on cumulative results. Renewal of a charter is based on evidence of meaningful progress on key measures of performance.

The evaluation (accountability) process is based on continuous school improvement efforts. The focus is on results, not on procedures or organizational structure. The Educational Criteria for Performance Excellence of the Baldrige National Quality Program provides a framework for school improvement efforts and for performance evaluation. The Baldrige Criteria are non-prescriptive, and are organized around seven areas as follows: (1) leadership; (2) strategic planning; (3) student, stakeholder, and market focus; (4) information and analysis; (5) faculty and staff focus; (6) process management; and (7) organizational performance results. Performance results include: academic achievement; faithfulness to the charter; the focus on the mission and vision; student, parent, and employee satisfaction; fiscal stability; legal compliance; and organizational viability. Improvement actions are communicated through an Annual School Accountability Plan that sets forth improvement goals, key measures of success, approach (methodology), deployment (activities), and data collection requirements. The results of improvement efforts are communicated through an Annual School Accountability Progress Report.

Evaluation of charter schools occurs through monthly reviews, annual measurements, and summative evaluations. Monthly reviews focus on the general school climate, the leader's focus on improvement, progress on improvement goals, a review of key processes, data collection, and contract requirements. Annual evaluation measures include the school's accountability plan and report, the contract compliance record, ESEA Title I ("No Child Left Behind") results, student test results, and satisfaction surveys. The summative evaluation is conducted at the end of the third year of operation (first semester of the fourth year) and evaluates organizational result trends from all three years of operation. The monthly and annual evaluation efforts are conducted by the staff of the Office of Charter Schools. The summative evaluation is conducted by an Evaluation Committee composed of six members, appointed by the Charter School Advisory Committee.

The decision to renew or not to renew a charter at the end of the third year is made at that time to allow for the possibility of school closure and the requisite parental notice accompanying such action. Charters may be renewed for up to five years. A school may also be placed on probation and have the charter extended on a year-to-year basis. A charter may be allowed to lapse at the end of the approved period or, in rare cases, where safety or critical educational concerns exist, terminated.

MULABE was created to provide urban children with the knowledge and understanding required to pursue careers in business and to competently handle personal finance issues. The initial MULABE charter was approved by the Board of Regents in November of 1999, and the school began operating in August of 2001.

MULABE serves 828 students in kindergarten through eighth grade. The school curriculum and policies generally conform to Edison School guidelines with an enhanced curriculum to emphasize business and economics education. School partners have provided

many opportunities for students to extend learning and to explore interests in business and economics. Middle school students are benefiting from a \$200,000 Math Plus grant provided by GE Medical Systems to enhance mathematics reasoning. Ariel Capital Management has established seed mutual fund accounts for students. MULABE students participate in the Milwaukee Money Conference, and the Strong Funds Kids Day. Manpower, Artisan Mutual Funds, and Rockwell Automation have provided speakers on business and economics topics.

PROGRAM EVALUATION SUMMARY

The Milwaukee Urban League Academy of Business and Economics (MULABE) was the second charter school authorized by the University of Wisconsin-Milwaukee (UWM) and is in its fourth year of operation. The school is managed by Edison Schools, Inc. (Edison). A summative evaluation was conducted at the end of the third year of operation. The evaluation determined the following: (1) students entering MULABE brought with them, on the average, a history of very low academic performance; (2) students attending MULABE have significantly improved their academic standing over the three years of attendance; (3) average achievement of MULABE students is still well below the average achievement of students attending MPS; (4) MULABE students demonstrate a significantly higher understanding of business and economic concepts than do students in comparable schools; (5) overall students and parents are pleased with the MULABE program and desire to continue to attend the school; (6) continued emphasis must be placed on improving student discipline and creating a culture of high achievement; and (7) the school board and Edison Schools, Inc., must take immediate action to hire an experienced, highly competent, committed principal for the 2005-06 school year.

On the basis of the evaluation, the Charter School Evaluation Committee recommended that the charter be extended for four additional years. (Five years is the maximum extension.) A fifth year of extension was not granted because of concerns for the present level of student achievement and the need for stability in the position of executive director (principal). The recommendation of the Committee was approved by the Charter School Advisory Committee in January of 2005. UW-Milwaukee's Office of Legal Affairs negotiated a contract amendment with the MULABE School Board. The amendment to the initial charter contract between the Board and UW-Milwaukee had been completed and approved by UW-Milwaukee's Office of Legal Affairs. The attached contract amendment meets all requirements of the UW-Milwaukee model charter school agreement.

The Office of Charter Schools believes that the MULABE program has the potential to make a positive difference in the educational lives of Milwaukee's children and is worthy of the charter extension.

ELEMENTS OF THE CONTRACT

The contract amendment negotiated with MULABE, Inc., meets all requirements of the UW-Milwaukee model charter school contract. The MULABE is prepared to operate in accordance with all applicable state and federal requirements for charter schools. The framework of the contract and substantive modifications made by the amendment to the contract are as follows:

1. Article One – Definitions - Key terms of the contract.
(No substantive changes.)
2. Article Two – Parties, Authority, and Responsibilities.
(No substantive changes.)
3. Article Three – Obligations of the Grantee. This section is important in that it recites the requirements of the law and how the grantee will meet those requirements. This includes such topics as: a) school governance; b) measuring student progress; c) methods to attain educational goals; d) licensure of professional personnel; e) health and safety; f) admissions; g) discipline; h) insurance standards and other topics.
(Section 3.1 (11) establishes specific requirements for financial reporting to the Office. Section 3.1(14) sets new requirements for insurance coverage and provides for the grantee to apply for coverage waivers for certain small business contractors.)
4. Article Four – Additional Obligations. This section adds additional considerations that help define the school, its practices, UW-Milwaukee administrative fees, and financial reporting.
(No substantive changes.)
5. Article Five – Joint Responsibilities. This section details the review of the management contracts and methods of financial payments.
(Section 5.3 modifies and clarifies performance evaluation criteria and establishes requirements for accountability reporting.)
6. Article Six – Notices, Reports, and Inspections. This section facilitates certain aspects of UW-Milwaukee’s oversight responsibilities.
(No substantive changes.)
7. Article Seven – Miscellaneous Provisions. Significant in this section are the Code of Ethics provisions (7.2).
(Section 7.6 clarifies requirements for open meetings.)
8. Article Eight – Provision Facilitating UW-Milwaukee Research. This section sets forth the guidelines that UW-Milwaukee will use to conduct research into the concept of charter schools and their impact upon educational practice.
(No substantive changes.)
9. Article Nine – Revocation of Agreement by UW-Milwaukee. This section establishes how the contract might be defaulted by the grantee and reasons for revocation by UW-Milwaukee. This section is critical to the idea that a charter school can be closed for not complying with the law, contract conditions, or failure to meet its educational purpose(s).

(Section 9.1(1) grants the University the right to terminate the charter contract if the school fails to make adequate yearly progress for three consecutive years under the federal “No Child Left Behind” requirements of ESEA Title I.)

10. Article Ten – Termination by the Grantee. This is the reverse of Article 9 describing how the grantee may, under specified circumstances, terminate the contract.
(No substantive changes.)
11. Article Eleven – Technical Provisions. This section details standard contract language for mutual protection of the parties.
(No Substantive changes.)

RELATED REGENT POLICIES

Regent Resolution 7905 (May 7, 1999).

MILWAUKEE URBAN LEAGUE ACADEMY OF BUSINESS AND ECONOMICS

EVALUATION REPORT Executive Summary

PREPARED BY

THE OFFICE OF CHARTER SCHOOLS
UNIVERSITY OF WISCONSIN-MILWAUKEE

January 2005

Evaluation Responsibility

The University of Wisconsin-Milwaukee is authorized by Wis. Stat. 118.40 to charter K-12 schools within the city of Milwaukee. The University is committed to chartering only those schools that have the potential to make a significant difference in the educational lives of urban students. To this end, the Office of Charter Schools has developed rigorous requirements that schools must meet in order to obtain and maintain a charter.

An initial charter is granted for a five year period during which the school must demonstrate progress toward stated goals. The decision to renew or non-renew a charter occurs in the fourth year of operation but is based on cumulative results. The Charter School Evaluation Committee has been established to assist the Office of Charter Schools in the determination of charter renewal.

Renewal of a charter is based on evidence of meaningful progress on key measures of performance stated as follows:

- The academic success (improvement) of students,
- The school's faithfulness to its charter as defined by the contract and strategic plan,
- The ability of leaders to communicate and transmit the mission and vision of the school,
- The extent of parent and student satisfaction,
- The extent of staff satisfaction with individual professional and organizational growth,
- The organizational viability of the charter school,
- The fiscal stability of the charter school, and
- The school's record of legal compliance.

The evaluation and renewal process includes the following:

- Review of records by the Charter Evaluation Committee,
- On-site inspection/verification by the Charter Renewal Evaluation Committee,
- Recommendation by the Charter Evaluation Committee,
- Review of the recommendation by the Charter School Advisory Board,
- Approval of the Dean of the School of Education,
- Approval of the Chancellor, and
- Approval of the University of Wisconsin Board of Regents.

School Background

Milwaukee Urban League Academy of Business and Economics (MULABE) is situated in the Metcalfe Park neighborhood, approximately one mile west of Milwaukee's city center. This area has the highest crime rate in the City and one of the highest levels of poverty. While the school is open to all students living in the City, most students live in the north central portion, within a ten to fifteen blocks radius of the school. The students attending the school are predominantly African-American.

The (MULABE) was the second charter school authorized by the University of Wisconsin-Milwaukee (UWM) and is in its fourth year of operation. The initial MULABE charter was approved by the Board of Regents in November of 1999 and the school began operating in August of 2001. The sponsoring organization, the Milwaukee Urban League is represented on the Board of Trustees.

MULABE was created to provide urban children with the knowledge and understanding required to pursue careers in business and to competently handle personal finance issues. The school is managed by Edison Schools, Inc. (Edison). A summative evaluation was conducted at the end of the third year of operation. The evaluation determined the following: (1) students entering MULABE brought with them, on the average, a history of very low academic performance, (2) students attending MULABE have significantly improved their academic standing over the three years of attendance, (3) average achievement of MULABE students is still well below the average achievement of students attending MPS, (4) MULBE students demonstrate a significantly higher understanding of business and economic concepts than do students in comparable schools, (5) Overall students and parents are pleased with the MULABE program and desire to continue to attend the school, (6) Continued emphasis must be placed on improving student discipline and creating a culture of high achievement, and (7) the MULABE school board and Edison must take immediate action to hire an experienced, highly competent, committed principal for the 2005-06 school year.

The intent of the MULABE School Board is to offer a program at that features:

- ❑ A longer school day and year
- ❑ A technologically rich environment with equitable access for all students
- ❑ High standards clearly tied to assessment and school wide accountability
- ❑ A school organization that provides maximum support to students and teachers
- ❑ Extensive professional development
- ❑ Foreign language instruction beginning in kindergarten
- ❑ A research-based curriculum
- ❑ A strong focus on family involvement
- ❑ An intentional and positive learning environment
- ❑ Character education and community service
- ❑ A focus on using data to improve instruction

The mission of the MULABE is "to produce students with high potential for financial success as future responsible and productive citizens." The school uses programs recommended by Edison Schools and the curriculum is aligned to Wisconsin State Standards in the core subjects of reading, language arts, mathematics, science, and social studies.

MULABE serves 828 students in kindergarten through eighth grade. The school curriculum and policies generally conform to Edison guidelines with an enhanced curriculum to emphasize business and economics education. School partners have provided many opportunities for students to extend learning and to explore interests in business and economics. Middle school students are benefiting from a \$200,000 Math Plus grant provided by GE Medical Systems to enhance mathematics reasoning. Ariel Capital Management has established seed mutual fund accounts for students. MULABE students participate in the Milwaukee Money Conference, the Strong Funds Kids Day. Manpower, Artisan Mutual Funds, and Rockwell Automation have provided speakers on business and economics topics.

The School Board has established nine strategic objectives. They are as follows: (1) improve student academic achievement, (2) fully implement the business and economics program, (3) develop and implement a student discipline program, (4) increase overall student attendance, (5) develop after school programming, (6) develop the partnership with the Milwaukee Urban League, (7) improve public relations, (8) prepare a long-range facilities program, and (9) develop corporate partnerships.

MULABE uses business and economics as a context for driving student achievement making it unique both locally and nationally. The Board believes the strong emphasis on business and economics is the best way to realize its mission to "produce students with high potential for financial success as future responsible and productive citizens." It has developed business and economics standards and benchmarks for grades K-8. Standards surround personal finance – income, money management, spending and credit, saving and investing, and entrepreneurship. The standards also address economics: basic economic concepts, economic systems, microeconomics, macroeconomics, and economic institutions.

For the 2004 school year the Millionaires Club, sponsored by Asset Builders of America, Inc. is being piloted at MULABE. The Club is an economic empowerment and education program that features - an introductory curriculum of basic economics, personal finance, investing and entrepreneurship; participation in the Wisconsin Stock Market Simulation; reading an economics-themed chapter book and writing a review; maintaining a weekly journal; and visits by representatives from area businesses to speak on topics including job skills, global trade, and long-term investing.

Organizational Performance Practices

MULABE has the beginnings of an effective strategic planning process. Additional work will be required for it to become a fully responsive, effective system. Annual accountability planning should encompass DPI and Edison requirements, and clearly focus school improvement efforts. Intense effort should be placed on clearly identifying, collecting, and analyzing data used in improvement efforts. Specific goals should be developed directly from the analysis of data.

A systematic process for monitoring student academic progress is in place. The application of the process is still somewhat inconsistent from teacher to teacher. The administration, in consultation with teachers, should determine exact requirements at the classroom level and monitor compliance. A process should be developed to involve all students in the monitoring of their own progress. This will require that students understand what they are to learn and be able to do and their present achievement level. .

The administration communicates a lot of information regarding student progress. These communications do not always relate to the annual school improvement goals as stated in the Annual Accountability Plan. A system should be put in place to specifically communicate progress on these goals

MULABE has done an excellent job with the development and implementation of safety and legal requirements. The school has built on Edison experience to develop appropriate handbooks for faculty, students, and parents.

Effective, systematic processes to promote the school's mission, monitor student progress, and ensure student safety have been developed by the Edison Schools. The processes are deployed throughout the school. The application of the process is, however, dependent on the principal. The first two years were marked with many inconsistencies. Noticeable improvement occurred during the third year. The Board, principal, and other members of the leadership team should work diligently to remove inconsistencies and embed the processes into the culture of the school.

The data collection system at MULABE is effective, systematic and deployed throughout the school. The process has not achieved the sophistication required of a fully implemented plan-do-check-act cycle nor is improvement of the system built into the process. The leadership team should work to achieve a higher level of data analysis,

greater consistency in its deployment, and methodology to improve the data collection system on an annual basis.

Overall, MULABE utilizes an effective systematic approach to the recruitment, hiring, training, and evaluation of faculty and staff. The use of satisfaction surveys to improve the system for faculty and staff is not as well documented nor do the results of the surveys appear to be factored into school improvement in a rigorous fashion.

On the basis of the evaluation, the Charter School Evaluation Committee (Committee) recommended that the charter be extended for four additional years. (Five years is the maximum extension.) A fifth year of extension was not granted because of concerns for the level of present level of student achievement and the need for stability in the position of executive director (principal). The recommendation of the Committee was approved by the Charter School Advisory Committee in January of 2005. UWM Legal Affairs negotiated a contract amendment with the MULABE School Board (Board). The amendment to the initial charter contract between the Board and UWM had been completed and approved by UWM Legal Affairs. The attached contract amendment meets all requirements of the UWM model charter school agreement. MULABE is prepared to operate in accordance with all applicable state and federal requirements for charter schools.

Student, Parental, and Faculty Satisfaction

Overall, a large majority (83% elementary of student and 72% of junior high students) of MULABE students rated their school highly. Concerns were expressed with some areas of student bussing, student discipline, the overcrowded condition of the school building, and the content of the math program. Parents also rated the school very favorably (95%) and indicated their desire for their children to continue attendance. Parental concerns revolved around student transportation and student discipline. 72% of the faculty gave the school a favorable rating. Faculty voiced concerns for the level of parental involvement and student discipline.

Student Achievement Results

MULABE student achievement was measured by the Wisconsin Reading and Comprehension Test (WRCT) in grade 3, the Wisconsin Knowledge and Concepts Exam (WKCE) in grade 4, and the Terra Nova Assessment Series (Terra Nova) in grades 2,3,5,6, and 7.

WRCT results illustrate third-grade reading performance; WKCE results demonstrate fourth-grade performance in reading, English language, and mathematics; and Terra Nova results demonstrate performance in reading, English language, and mathematics. Tests were administered to students in the spring of each year. The proficiency levels of all students were evaluated for each of the three years. A second, value added, method was used to compare the progress of identical groups of students (controlled cohorts) over the same period.

The controlled cohorts are groups of identical students who took the Terra Nova in each of the three years. The cohort designation, 2009, 2010, 2011, or 2012, represents the year the group is expected to graduate from high school and was used simply as a unique identifier for the group. Comparison of the same students over time reveals the "value added" by the school's instructional program. This is further enhanced by analyzing the progress of multiple controlled cohorts in the same subject area.

Overall, MULABE student showed significant increases in achievement while the achievement levels continued to be lower than for students attending the Milwaukee Public Schools.

Reading: A significant number of students improved proficiency levels moving from minimal and basic scores to proficient and advanced levels. Controlled cohort measures showed definite progress against the normative sample. This meant that students make more than one year's progress each year. The effect is greatest for members of the 2009 cohort and weakest for members of the 2012 cohort. The same effect can also be seen in the number of students scoring proficient or advanced.

English Language: Results for the language portion of the Terra Nova mirror those for reading. The 2009-2011 cohorts make definite progress while the students in the 2012 cohort fell behind.

Mathematics: Results for the mathematics were mixed. The 2009 and 2010 cohorts have made outstanding progress, almost reaching the level of the normative sample and showing a very significant increase in the percentage of students deemed to be proficient. The students of the 2012 cohort have made some progress while the members of the 2011 cohort have fallen behind.

Business and Economics: MULABE students consistently improved their scores on the surveys of business and economics concepts. Survey results indicated the students from MULABE had statistically significant gains in knowledge about basic economics and personal finance throughout the school year. These gains in pre- and post- test scores were evident in both the fifth and sixth grade student groups at MULABE. Although fifth grade students demonstrated gains in pre-post test scores, sixth grade students demonstrated significantly larger gains in both measures at the post-test compared to fifth grade students. MULABE students for the most part knew more about economics at the start of the school year and that knowledge base was built upon during their experiences throughout the school year. MULABE students consistently and significantly improved their scores on pre- to post test measures and consistently and significantly outperformed their peers from the other schools studied.

Charter School Evaluation Team Members: Dr. Rita Cheng, UWM School of Business; Dr. Elizabeth Drame, National Teachers & Educators College; Dr. William Kritek, UWM School of Education; Dr. Gail Schneider, UWM school of Education; Dr. Leticia Smith, Educational Consultant; Mr. Michael Spector, Quarles & Brady Law Firm; Ms. Jean Tyler, Community Leader.

Office of Charter Schools Staff Members: Dr. Robert Kattman, Director; Dr. Cindy M. Walker, Consultant; Ms. Susan Poole, Graduate Research Assistant; Ms. Diana Borders, Administrative Specialist.

FIRST AMENDMENT TO THE CHARTER SCHOOL CONTRACT

between

**The Board of Regents of the University of Wisconsin System
on behalf of the University of Wisconsin—Milwaukee**

and

The Milwaukee Urban League Academy of Business and Economics, Inc.

THIS AMENDMENT (this “Amendment”) is made and entered into this _____ day of _____, 2005, by and between the Board of Regents for the University of Wisconsin System on behalf of the University of Wisconsin—Milwaukee (“University”) and The Milwaukee Urban League Academy of Business and Economics, Inc. (“Grantee”).

RECITALS

WHEREAS on October 28, 1999, the University and the Grantee entered into a Charter School Contract (the “Original Contract”) whereby the University established by charter the Charter School known as The Milwaukee Urban League Academy of Business and Economics (“Charter School”);

WHEREAS, the University having completed its review under Section 11.1 of the Original Contract and having issued the written report contemplated under Section 11.1, the University and the Grantee have agreed that the terms of the Original Contract shall be extended for a period of four (4) years from and after June 30, 2005, and;

WHEREAS, the University and the Grantee have also agreed that the terms of the Original Contract should be further modified as expressly set forth in this Amendment, which Amendment and Original Contract shall be referred to herein as the “Contract.”

NOW, THEREFORE, in consideration of the terms and conditions set forth below, the University and Grantee agree as follows:

1. In Section 1.1(3) and throughout the Original Contract, all references to the “Center for Charter Schools” shall be modified to the “Office of Charter Schools,” and all references to the “Center” shall be changed to the “Office.”

2. Section 2.2(3) of the Original Contract is hereby deleted and the following is inserted in that place: “The Chancellor may conduct research as set forth in Article Eight and elsewhere in this Contract.”

3. Section 3.1(2)(d) of the Original Contract is hereby deleted and the following is inserted in that place: “In the event there is a change in the principal or director of the Charter School, or a material change in the leadership of the Charter School as described in this subsection, the Charter School agrees to notify the Office immediately of the change.”

4. In Section 3.1(5)(a) of the Original Contract, “University” is hereby deleted and replaced with “Office.”

5. In Section 3.1(7) of the Original Contract, “sub. (7)(a) and (am) and ss. 118.19(1) and 121.02(1)(a)1.” is hereby deleted and the following is inserted in that place: “Applicable Law”.

6. After the “:”, the remainder of Section 3.1(11) of the Original Contract is hereby deleted and the following is inserted in that place:

The Grantee shall submit audited financial statements of the Charter School's operation, including auditor's management letters and any exceptions noted by the auditors, to the Office annually. The audit reports shall be prepared by a certified public accountant and submitted to the Office within 120 days after the end of the Grantee's fiscal year on June 30. In addition, the Grantee shall submit to the Office, with the audited financial statements, a list of expenditures in each of the following categories and subcategories:

(a) Total Revenue

- (1) State aid
- (2) Federal aid
- (3) Other

(b) Total Expenditures

- (1) Instruction
- (2) Pupil services including special education
- (3) Instructional support including curriculum development, library/media and faculty/staff development
- (4) School board
- (5) Administration
- (6) Facilities
- (7) Transportation
- (8) Food service
- (9) Debt service
- (10) Uncategorized

7. After the first “:”, the remainder of Section 3.1(14) of the Original Contract is hereby deleted and the following is inserted in that place:

Grantee shall provide the Office with evidence of a lease or ownership of the School premises in accordance with the provisions of Section 7.4 of this Contract.

The Grantee shall provide the following minimum liability insurance coverages with limits in respect to the Charter School as set forth below:

Coverage Type

Minimum Limit

A. Fidelity Bond Coverage (for the employees and Board Members of the Charter School and its sponsoring organizations and management companies who are responsible for the financial decisions of the Charter School, including the CEO, CFO and Board Members of the Charter School and its sponsoring organizations and/or management companies)

Limit per Loss	\$500,000
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B. Worker's Compensation

Worker's Compensation	Statutory Coverage
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Employer's Liability Limits:

Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee

C. Commercial General Liability (deleting any X, C, and U exclusions, as well as corporal punishment, athletic events, and use of gymnasium equipment)

Each Occurrence Limit	\$1,000,000
Personal & Advertising	\$1,000,000
General Aggregate	\$3,000,000
Products-Completed	
Operations Aggregate	\$3,000,000
Medical Expense	\$5,000

D. Auto Liability

Combined Single Limit	\$1,000,000 each accident
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E. Umbrella (providing excess employer's liability, general liability and auto liability coverage)

Each Occurrence Limit	\$5,000,000
General Aggregate Limit	\$5,000,000

F. School Leader's Errors & Omissions

Aggregate Limit	\$1,000,000
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The Board shall be named as an additional insured under relevant insurance policies, as its interest may appear. A certificate of insurance evidencing the aforementioned insurance requirements is to be provided to the Office annually, prior to the start of each academic year. Under no circumstances is the Board's right to recovery of damages limited to the fact that it is named as an additional insured under the insurance policies noted above.

The Grantee shall require the subcontractors of the Charter School to be properly insured and provide a certificate of coverage providing for the following:

A. Workers Compensation Statutory Coverage

B. Commercial General Liability

Each Occurrence Limit	\$1,000,000
General Aggregate	\$1,000,000
Products-Completed	
Operations Aggregate	\$1,000,000

C. Automobile Liability

Combined Single Limit	\$1,000,000
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In addition, for high risk subcontractors providing the following services: air charter, asbestos abatement, building construction and remodeling, custodial, daycare, elevator maintenance, manual food service, medical services, recreational services/high risk entertainment, refuse transportation and disposal, security, and transportation of people, the Grantee shall require subcontractors to provide a certificate of additional coverage for the coverage and in the amounts described in the UW-System Risk Management Manual, the relevant portion of which is attached hereto at Appendix A. Should Grantee be unable to obtain proof of insurance as required in this subsection from a particular subcontractor, Grantee may seek a written waiver of the above provisions from the University's Risk Manager by directing such a request to the Office.

8. Section 3.3 of the Original Contract is hereby deleted and the following is inserted in that place: "Tuition. To the extent that doing so may be prohibited by Applicable Law, the Charter School shall not charge tuition."

9. Section 4.1 of the Original Contract is hereby deleted and the following is inserted in that place:

The Charter School shall comply with all Applicable Law, which may change from time to time and which may include, but is not limited to:

- (1) Wisconsin Statute section 118.40;
- (2) Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d-2000d-7;
- (3) Title IX of the Education Amendments of 1972, 20 U.S.C. ss. 1681 et seq.;
- (4) Age Discrimination Act of 1985, 42 U.S.C. ss. 6101 et seq.;

- (5) Sec. 504 of the Rehabilitation Act of 1974, 29 U.S.C. s. 794 and the Americans with Disabilities Act, 42 U.S.C. ss. 12101-12213;
- (6) Individuals with Disabilities Education Act, 20 U.S.C. ss. 1400-1485 et seq;
- (7) 20 U.S.C. s. 1232(g) of the General Education Provisions Act, 20 U.S.C. ss. 1221-1234i;
- (8) Drug-Free Workplace Act, 41 U.S.C. 701 et seq.;
- (9) Asbestos Hazard Emergency Response Act, 15 U.S.C. ss. 2641-2655;
- (10) The Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001 and its implementing regulations, 20 U.S.C. 6301 to 6578, 34 C.F.R. s 200; and
- (11) Family Educational Rights & Privacy Act, 10 U.S.C. s. 1232g, 34 C.F.R. pt. 99.

If the Applicable Law requires the Office to take certain actions or establish requirements with respect to the Grantee, Grantee shall cooperate with those actions and comply with those requirements.

To the extent that the No Child Left Behind Act of 2001 (the “NCLB”) is applicable to the Charter School, the Grantee agrees that the Grantee will comply with the responsibilities and obligations of the Title I, Part A accountability provisions as specified under the NCLB or its implementing regulations established by the U.S. Department of Education, which currently include participating in statewide assessments, meeting the state adequate yearly progress definition, meeting public and parent reporting requirements, implementing school sanctions if Grantee is identified for school improvement, and meeting the highly qualified teachers and paraprofessional requirements.

10. In Section 4.2 of the Original Contract, in the second sentence, “University” shall be changed to “Office,” and in the third sentence, the first instance of “University” shall be changed to “Chancellor,” and the second instance of “University” shall be changed to “Office.”

11. In Section 4.4 of the Original Contract, “121.01” shall be changed to “121.02” and all instances of “University” shall be changed to “Chancellor.” In addition, in the third sentence of Section 4.4, “upon its request” shall be changed to “upon his or her request”.

12. In Section 4.6 of the Original Contract, each instance of “Agreement” shall be changed to “Contract.”

13. In Section 4.6(3) of the Original Contract, each instance of “audited statement” shall be changed to “end of year financial statement.”

14. In Section 4.11 of the Original Contract, all instances of “Chancellor” shall be changed to “Office.” In addition, at the end of Section 4.11, the following paragraph shall be added:

In addition, at the same time the audit report is submitted to the Office, the Grantee shall provide to the Office a report of the Charter School’s expenditures in each of the categories and subcategories listed in Section 3.1(11). In the case that the Grantee contracts with one or more management companies for the operation or administration of the Charter School, the report shall include the management companies’ expenditures on behalf of the Charter School.

15. Section 4.12 of the Original Contract is hereby deleted and the following is inserted in that place:

School Year Calendar. The calendar for each school year shall be submitted to the Office no later than the prior June 1 and shall be subject to the approval of the Chancellor or Chancellor’s designee. If the Chancellor or Chancellor’s designee does not notify the Grantee otherwise, the calendar shall be deemed approved 30 days after submission to the Office.

16. Section 4.13 of the Original Contract shall be added as follows:

Grant Applications. Grantee shall submit to the Office copies of any applications for grants made on behalf of the Charter School at the time the application is submitted to the funding authority.

17. Section 5.1(2) of the Original Contract is hereby deleted and the following is inserted in that place:

The Grantee shall submit to the Office a copy of any proposed Operation or Management Contract and shall not enter into any such contract until the Chancellor or the Chancellor’s designee shall have approved (or be deemed to have approved) the same. The Chancellor or the Chancellor’s designee shall have 30 Days after receiving the proposed completed Operation or Management Contract to review the document and to deliver to the Grantee a written statement approving or rejecting such contract. If the Chancellor or the Chancellor’s designee does not within such 30 Days object in writing to the proposed completed contract, the contract shall be deemed approved. If the Chancellor or the Chancellor’s designee rejects the proposed contract, however, the Chancellor or the Chancellor’s designee shall also within the 30 Day review period hereunder advise the Grantee in writing of its specific objections to the proposed contract. The Grantee may thereafter modify (and remodel) the proposed contract and continue submitting the modified contract for the approval of the

Chancellor or the Chancellor's designee, which approval shall not be unreasonably withheld, conditioned, or delayed.

18. In Section 5.1(3) of the Original Contract, "University" shall be changed to "Chancellor."
19. Section 5.3 of the Original Contract is hereby deleted and the following is inserted in that place:

Performance Evaluation and Required Reports.

- (1) The University shall evaluate the performance of the Charter School in the areas of leadership, strategic planning, student, stakeholder, and market focus, information and analysis, process management, and organizational performance results as set forth in the Educational Criteria for Performance Excellence of the Baldrige National Quality Program. Specifically, the University will review whether the School has demonstrated continual improvement in the level of systematization of the approach (methods used) and the deployment (extent to which the approach is applied) in each of these areas. Also, the University will review the School's demonstrated improvement of results in each of these areas. A description and explanation of the specific measures that shall be used to evaluate such areas shall be provided to the Grantee annually, no later than 60 days prior to the start of each academic year. The description and explanation will not vary materially from that of the previous year.
- (2) The Grantee shall provide to the University the following required reports as described below:
 - (a) Strategic Plan. By August 1, 2005, the Grantee shall provide a Strategic Plan to the University. The Strategic Plan shall specify the mission and vision of the school, identify the target population of students, and establish strategic goals for the development of the school. The Grantee shall resubmit the Strategic Plan to the Office if and when it is revised.
 - (b) School and Organization Profile. By October 1 of each year during the term of this Contract, the Grantee shall provide to the Office a School and Organizational Profile which provides general information about the school and its operations.

- (c) School Accountability Plan. By July 1 of each year during the term of this Contract, the Grantee shall provide to the Office a School Accountability Plan which sets forth, in measurable terms, goals for school improvement in the then-forthcoming school year. If the Charter School has not made Adequate Yearly Progress (“AYP”) under the NCLB, this plan shall include a detailed description of the Grantee’s plans to implement any of the responsive and/or corrective requirements of the NCLB in the following school year. The School Accountability Plan shall be subject to approval by the Office.
- (d) School Accountability Progress Report. By July 1 of each year during the term of this Contract, the Grantee shall provide to the Office for approval a school performance report which states how the school has made progress on the goals identified in the school accountability plan established the prior year. This report shall include a description of how the Charter School is or is not meeting the State of Wisconsin’s definition of AYP under the NCLB and, if the Charter School has not made AYP in the past, a detailed description of the Charter School’s compliance with the responsive and/or corrective requirements of the NCLB in the prior year. The School Accountability Progress Report shall be subject to approval by the Office.

20. In Sections 6.1, 6.2, 6.3, 7.4, and 8.1(3) of the Original Contract, all instances of “Chancellor” or “University” shall be changed to “Office.”

21. Section 6.4 is hereby deleted.

22. Section 7.3 of the Original Contract is hereby deleted and the following is inserted in that place:

Use of University Marks. Neither Grantee nor the Charter School nor any of their sub-contractors may use the name, logo, or other mark designating the University without the expressed prior written consent of the Chancellor, nor may they use the name, logo, or other mark designating the Board of Regents of the University of Wisconsin System without the expressed prior written consent of the Board of Regents.

23. Section 7.5 of the Original Contract shall be added as follows:

Public Records. The Grantee agrees that any contract with another entity for management of the Charter School, such as that presently existing with

Edison Schools, Inc., will contain a provision stating that the management entity “shall be deemed an ‘authority’ as defined in Wis. Stats. 19.32(1) and shall be subject to the public records law provisions of Wis. Stat. Chapter 19, subchapter II, with respect to all information or records relating to the Charter School.”

24. Section 7.6 shall be added as follows:

Open Meetings. The Grantee specifically agrees that the following meetings shall be open to the general public:

- (1) Submission of annual report to the Grantee’s board;
- (2) Approval of the annual budget by the Grantee’s board;
- (3) All school admission lotteries;
- (4) Approval of the annual audit by the Grantee’s board; and
- (5) One (1) annual open house of the Charter School.

The Grantee shall use its good faith efforts to provide reasonable notice of the above listed meetings to the parent/guardian of each student attending the Charter School and shall notify the public of such meetings according to Wisconsin Statute section 120.08(2)(b).

25. Section 9.1(1) of the Original Contract is hereby deleted and the following is inserted in that place:

The pupils enrolled in the Charter School have failed to make sufficient progress toward attaining the educational goals under s. 118.01 or have failed to achieve Adequate Yearly Progress under the NCLB or state implementation of that law for 3 consecutive years;

26. In Section 11.1 of the Original Contract, “Agreement” shall be deleted and replaced with “Contract.” In addition, in Section 11.1 of the Original Contract, “June 30, 2005,” shall be deleted and replaced with “June 30, 2009.”

27. In Section 11.3 of the Original Contract, “Appendix B, Evaluation of Charter Schools—Essential Components,” “Appendix C: Calendar for 2000-2001 School Year,” “Appendix D: Statement of Performance Measures and Required Reports,” and “Appendix E: Other Provisions Incorporated From Grantee Application,” shall be deleted.

28. In Section 11.15 of the Original Contract, “give notice of provide information” shall be changed to “give notice or provide information.”

29. Appendices B, C, D, and E of the Original Contract shall be deleted.

The undersigned have read, understand, and agree to comply with and be bound by the terms and conditions as set forth in this First Amendment. Except as specifically modified by this First Amendment, the Original Contract shall continue in full force and effect between the University and Grantee, and shall be binding upon and inure to the benefit of the University and the Grantee and hence is hereby ratified and confirmed.

FOR GRANTEE:

FOR THE UNIVERSITY:

Name

Name

President

Chancellor

Title

Title

Date

Date

NEW PROGRAM AUTHORIZATION
Master of Arts in Women's Studies/Gender Studies
University of Wisconsin-Madison
(INITIAL REVIEW)

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the procedures outlined in Academic Planning and Program Review (ACIS-1.0 revised), the new program proposal for a Master of Arts in Women's Studies/Gender Studies at UW-Madison is presented to the Board of Regents for initial review. As stipulated by ACIS-1.0 revised, this program proposal will be on the agenda for the March, 2005, meeting for a second review, at which time the Board will take final action on this request. If approved, the program will be subject to a regent-mandated review to begin five years after its implementation. The University of Wisconsin-Madison and System Administration will conduct that review jointly and report the results to the Board of Regents.

The proposed program builds upon the existing undergraduate major in Women's Studies, the undergraduate certificate program and a Ph.D. minor. The curriculum reflects advances in knowledge made in the past forty years in the well-established, interdisciplinary field of Women's Studies. The program will emphasize global and multicultural issues and will require proficiency in a second language. It fits with directions in research and teaching in Women's Studies that reflect increasing attention to the differences among women and gender systems and practices within the United States, the variations of gender formations around the globe, and the cross-fertilization between multicultural studies with feminist inquiry.

REQUESTED ACTION

No action requested at this time.

DISCUSSION

Program Description

The proposed M.A. in Women's Studies/Gender Studies will provide advanced training in the analysis of women and gender from global and cross-cultural perspectives. The 24-credit program is designed to be completed as a two-year, full-time sequence. The curriculum is flexible enough to allow part-time study, which may be of interest to working professionals who aspire to upgrade their credentials in this area. Of the 24 credits, at least 15 must be in designated Women's Studies courses; the remaining nine credits may be taken in Women's Studies or in appropriate graduate-level courses in other departments as approved in consultation with the advisor. Of the 15 required Women's Studies credits, each student must complete a three-credit introductory seminar, a three-credit capstone research seminar, a theory course, and a thesis project. The capstone course is the only new course required for the program. M.A. students will select courses from an array of graduate-level Women's Studies, which serve the existing undergraduate program and the Ph.D.

minor. Masters students will be required to demonstrate competency in a language other than English or acquire such language competency during the course of their study.

Program Goals and Objectives

The M.A. in Women's Studies/Gender Studies will prepare students to explore the ways that gender operates in one or more of the following domains:

- work, family, and education;
- social movements, the state, and civil society;
- bodies, gender, health, and sexuality;
- individual, collective, and communal identities;
- communications, technology, and culture industries;
- politics of representation, the media, and cultural practices;
- migration, immigration, labor issues, and political economy;
- militarism, international relations, and governmental processes.

All students will study transnational and cross-cultural questions, and will demonstrate an understanding of interdisciplinary approaches to the study of women and gender. Some individuals may focus on particular locations and/or problems in the study of women and gender.

Relation to Institutional Mission

The M.A. in Women's Studies/Gender Studies will enhance the ongoing mission and new initiatives of the Women's Studies Program. Women's Studies is an inherently interdisciplinary field. As such, the program provided an early example of the kind of interdisciplinary research and teaching prioritized in UW-Madison's Vision for the Future document (April 1995), the College of Letters & Science's Creating a New College document (March 1996), and the current support of cluster hiring and other interdisciplinary initiatives. These documents and actions speak to the need to develop cross-disciplinary initiatives at both the undergraduate and graduate levels, to break down the tendency toward the "vertical" isolation of disciplines from each other, and to enhance "horizontal" cooperation among disciplines. The Women's Studies Program pioneered just such an approach and the proposed program is an extension of these efforts. The focus on international and multicultural gender issues is consistent with institutional priorities for developing interdisciplinary knowledge about other parts of the world as an essential component for preparing students for an increasingly global age.

Diversity

From the beginning, the Women's Studies Program has been at the forefront of diversity in faculty, course offerings, and in promoting curricular diversity beyond its own program. It has core interdisciplinary linkages and budgeted joint faculty positions with the Afro-American Studies Program, Asian American Studies, and Chicana/o and Latina/o Studies. The Women's Studies Program is the administrative home for the Lesbian, Gay, Bisexual, and Transgender Studies certificate program. The faculty itself is diverse, and faculty research has provided models of scholarship addressing diversities of all kinds. The Women's Studies Program has displayed its commitment to infusing diversity into the curriculum by promoting UW System-wide programs such as "Women of Color in the Curriculum Project" (1989-91) and "Internationalizing Women's

Studies and Integrating Gender into Area Studies Programs” (1995-1998).

The program will cultivate connections with students from diverse backgrounds through contacts at national meetings and the talks program faculty give at other institutions, and thereby encourage candidates to apply. The small size of the program provides each student with individual attention and mentoring in order to insure high retention and completion rates. The M.A. program's focus on multicultural and international issues makes it of special interest to a diverse student body.

Need

There are no other graduate programs in Women's Studies or in Gender Studies in Wisconsin. Across the nation, those women's studies M.A. programs that are most comparable to the proposed program in terms of size, funding, and number of courses receive 60-90 applications a year. Currently, the program receives 15 to 20 inquiries each year from those interested in applying for an M.A.-level program. Inquiries come from UW-Madison undergraduates and from Women's Studies students from across Wisconsin, particularly those within the UW System. In addition, many inquiries come from working adults in Wisconsin who are seeking to advance their careers. Interested workers include state employees in areas that address women's issues and employees of non-profit agencies, particularly those that address domestic violence and sexual assault. Because of the national and international visibility of the faculty and the distinctive focus of the M.A. degree program, the program expects to attract students from a state-wide, national and international pool. Graduates of the proposed program will be prepared to contribute a gender perspective to careers in policy, social services, health, education, and media, and will be prepared for entry into Ph.D. programs in Women's Studies and related disciplines. The transcultural and international focus of the program will make graduates especially attractive to a broader range of employers.

Comparable Programs

There are no comparable programs in Wisconsin. The Ohio State University has the Women's Studies Program most comparable to UW-Madison's in terms of size, funding, number of courses, and quality of faculty. Ohio State receives 60-70 applications a year and admits eight-ten students. Most of the peer institutions in the Midwest and across the nation already have established M.A. programs in Women's Studies and several also offer a Ph.D. degree. None of these programs share Madison's focus on gender in comparative, cross-cultural, and global contexts.

Collaboration

The proposed MA in Women's Studies/Gender Studies would complement a number of programs currently in place at UW-Madison, including the M.A. emphasis in Women's History in History and in Afro-American Studies; the master's degrees in area studies programs; undergraduate majors in Women's Studies, Afro-American Studies, International Studies, Comparative Literature, and area studies programs; certificate programs in Women's Studies, African Studies, European Studies, Russian and East European Studies, Southeast Asian Studies, American Indian Studies, Asian American Studies, and Chicana/o Studies; and Lesbian, Gay, Bisexual, Transgender Studies.

The program faculty and staff collaborate and coordinate with other Women's Studies programs in the state of Wisconsin through the Women's Studies Consortium and will welcome the opportunity to collaborate with other UW System Women's Studies programs as they are designed and implemented.

Use of Technology/Distance Education

In 2004, the UW-Madison Women's Studies Program co-sponsored with the UW System Women's Studies Consortium a workshop for UW faculty and academic staff on "Incorporating Hybrid Web-Enhanced Course Development into Women's Studies Pedagogy." Fifty-five faculty from thirteen universities explored the possibilities of extending teaching strategies with new teaching technologies. Phyllis Holman Weisbard, the UW System Women's Studies Librarian, under the aegis of the University's Library and Information Literary Instruction Program (LILI), has developed interactive tutorials in international women's issues that teach students through self-paced modules critical research skills utilizing web-based resources. The program faculty will review Women's Studies courses taken via distance education at other institutions and consider them for transfer credit. The program is exploring the possibility of a distance education component, through cooperation with the Women's Studies Department at the University of Minnesota, and welcomes the opportunity to collaborate with other UW Women's Studies programs as they are designed and implemented.

Academic and Career Advising

The Associate Chair will act as the general advisor for the program and the Graduate Program Coordinator will oversee Graduate School requirements. Each student will have a Women's Studies faculty member as an advisor, and a three-member faculty committee will evaluate the thesis. Students who anticipate that they will enter a Ph.D. program in a traditional discipline such as history, political science, or area studies, after the M.A., will be advised by a faculty member in the identified discipline.

Projected Enrollment (5 years)

Year	Implementation year (Fall 2005)	2 nd year	3 rd year	4 th year	5 th year
New students admitted	2	2	3	3	3
Continuing students	0	2	2	3	3
Total enrollment	2	4	5	6	6
Graduating students	0	2	2	2	3

Assessment and Program Evaluation

An M.A. Subcommittee of the Women's Studies Curriculum Committee will be assigned the responsibility of ongoing assessment of the M.A. program, and will report annually on findings and recommendations to the Women's Studies Program. The committee will use the following evaluation methods: survey of students in capstone seminar; review of samples of work from students; evaluation of final thesis projects submitted; regular survey of alumni of program; follow-up calls with students accepted but not matriculating; exit interviews.

Evaluation from External Reviewers

Three external reviewers provided written comments. All three noted that the faculty is highly respected in the U.S. and abroad, and have the expertise to deliver this curriculum. The distinctive international focus of the curriculum, the prominence of the program faculty, and the absence of any other graduate program in Women's Studies or Gender Studies in Wisconsin are factors that combine to put this program in high demand by students. The reviewers were optimistic about the employment outlook for graduates. One reviewer wrote, "Growing recognition of the need to understand the role of women and gender roles, particularly in comparative and international contexts, should distinguish recipients of the M.A. and provide them with a strong, competitive edge in the job market."

Resource Needs

Currently, there are 17 budgeted faculty in WSP (7.7 budgeted FTE) and a total of 58 faculty who have the expertise to teach and advise students in the proposed M.A. Increasingly, traditional disciplines have added faculty expertise and coursework appropriate to the Women/Gender Studies. As a consequence, the program offers more than 60 WSP-specific or cross-listed courses that form a curricular foundation. The curriculum will require adaptation of the introductory course and the addition of a capstone seminar course. The capstone course will be taught by reallocating teaching assignments from courses that primarily serve undergraduates. Given the breadth of the course offerings, such shifts will have a minimal impact on undergraduates. Specific resource needs are

(1) occasional short-term instructional staffing needs; (2) a \$4,000 increase in supplies and expenses provided to the Women's Studies Program; (3) an \$8,000 increase to the budget to offset the time that the program coordinator devotes to the graduate program and funding for a student hourly. These budget adjustments will be provided by reallocations within the College of Letters & Science. In the future, the program hopes to expand the number of students if faculty are added either through the funding of the International Gender Studies Cluster or through other faculty hiring.

RECOMMENDATION

No action requested at this time.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review (November 10, 1995), Academic Informational Series #1 (ACIS-1.0 revised)

BUDGET - UW-Madison M.A.-Women's Studies/Gender Studies						V. 1/7/2005	
	Base Year - 04-05		First Year, 2005-06		Second Year, 2006-07		Third Year, 2007-08
CURRENT COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars	#FTE Dollars
Personnel							
Faculty	1	\$80,000	1	\$82,400	1	\$84,872	1 \$87,418
Instructional Staff							
Graduate Assistants							
Non-instructional Academic /Classified Staff							
Non-personnel							
Supplies & Equipment							
Capital Equipment							
Library							
Computing							
Other (Define)							
Subtotal		\$80,000		\$82,400		\$84,872	\$87,418
ADDITIONAL COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars	#FTE Dollars
Personnel							
Faculty							
Instructional Staff	0.1	\$4,000	0.1	\$4,120	0.1	\$4,244	0.1 \$4,371
Graduate Assistants							
Non-instructional Academic /Classified Staff	0.5	\$8,000	0.5	\$8,000	0.5	\$8,000	0.5 \$8,000
Non-personnel							
Supplies & Equipment		\$4,000		\$4,000		\$4,000	\$4,000
Capital Equipment							
Library							
Computing							
Other (Define)							
Subtotal		\$16,000		\$16,120		\$16,244	\$16,371
TOTAL COSTS		\$96,000		\$98,520		\$101,116	\$103,789
CURRENT RESOURCES							
GPR		\$80,000		\$82,400		\$84,872	\$87,418
Gifts and Grants							
Fees							
Other (Define)							
Subtotal		\$80,000		\$82,400		\$84,872	\$87,418
ADDITIONAL RESOURCES							
GPR Reallocation (within L&S)		\$16,000		\$16,120		\$16,244	\$16,371
Gifts and Grants							
Fees							
Other (Define)							
Subtotal		\$16,000		\$16,120		\$16,244	\$16,371
TOTAL RESOURCES		\$96,000		\$98,520		\$101,116	\$103,789
Notes:							
Faculty - 1.0 FTE is estimated effort for the two core course and advising effort for six M.A. students, which would be spread across the Women's Studies Program faculty. Average salary est. \$80,000. An annual salary increase of 3% is included.							
Instructional Staff - Occasionally funding for short term teaching staff will be requested from L&S. The allocation here for 10% per year is an estimate based on the expectation that support will be requested once every two or three years.							
Graduate Assistants - no graduate assistants are allotted. The number of students is small and distributed across a wide program array, and most of those courses are taught without graduate assistants.							
Non-Instructional Staff - \$8,000 is added to the WSP budget to fund the time the current PA3 will devote to the M.A. program, and to fund a student hourly for 20 hours a week.							
Resources - costs will be funded through reallocation from other sources in L&S.							

NEW PROGRAM AUTHORIZATION
Doctor of Audiology
University of Wisconsin Consortial Degree
UW–Madison and UW–Stevens Point

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the procedures outlined in Academic Planning and Program Review (ACIS-1.0 revised), the new program proposal for a Doctor of Audiology degree (Au.D.) at UW-Madison and UW-Stevens Point is presented to the Board of Regents for initial review. As stipulated by ACIS-1.0 revised, this program proposal will be on the agenda for the March, 2005, meeting for a second review, at which time the Board of Regents will take final action on this request. If approved, the program will be subject to a regent-mandated review to begin five years after its implementation. The University of Wisconsin-Madison, the University of Wisconsin-Stevens Point, and System Administration will conduct that review jointly, and report the results to the Board.

The proposed program is presented by a consortium representing UW-Madison and UW-Stevens Point. The Doctor of Audiology is a terminal clinical degree designed to provide training in audiology, and in the prevention and rehabilitation of hearing disorders. The graduates of this program will serve the needs of the hearing-impaired children and adults throughout the state of Wisconsin. The Au.D. will replace the existing master's tracks in clinical audiology at UW-Madison and UW-Stevens Point. The Au.D. will meet the accreditation standards of the American Speech-Language-Hearing Association (ASHA), which require that, by 2012, a clinical doctoral degree will be the standard for certification of newly graduated clinicians for the independent practice of audiology.

The impetus for the Au.D. came from audiologists who were facing an increase in the number and complexity of the activities they were required to perform. The field of audiology was established to treat hearing-impaired veterans at the end of World War II, a time when the scope of practice was quite limited compared to current standards. Over the ensuing 60 years, the profession has expanded dramatically as a result of rapidly developing technology and better understanding of normal and disordered hearing. Contemporary audiologists work in hospitals, schools, clinics, private practice, and industry. Today, the scope of practice includes prevention, assessment, and remediation for pathology of the auditory-vestibular system, including the neural and central auditory pathways.

REQUESTED ACTION

No action requested at this time.

DISCUSSION

Program Description

The Doctor of Audiology is a four-year program that will enroll students with undergraduate preparation in communicative disorders or related disciplines. Currently, graduation with a master's degree in Communicative Disorders and a concentration in audiology requires two years of formal course work. After graduation, students are required to complete an additional year of supervised clinical practicum prior to becoming certified and state-licensed. Hence, current students receive three years of training in order to become clinical audiologists.

The proposed Au.D. adds a year of course work beyond the master's degree and brings the supervised year of clinical practicum under the oversight of the university. The first two years are focused on course work and include clerkships each semester and in the summer terms. At the end of the first two years, students take comprehensive exams covering academic topics and a practical exam on clinical applications. The third year continues with more course work and requires that students complete a capstone project in clinical audiology. Each capstone project will be supervised by a committee of three members, with representation from both institutions and at least two members of faculty rank. Students will present both a written and oral report of their findings at the end of the third year. In the fourth year, students will do a full-time externship, and they will design, pursue, and document a program of professional continuing education. Some fourth-year placement sites, such as the VA Medical Centers, Mayo Clinic, and Boys' Town National Research Hospital, offer stipends to students placed at their facilities. The number of sites offering stipends is expected to grow.

A single curriculum has been developed; all courses have been approved and are listed in the timetables at both institutions. The curriculum includes both previously existing courses and newly developed courses. Sixteen courses were developed for the Au.D. and are new at both institutions.

Program Goals and Objectives

The academic objectives of the program are to:

1. Prepare students to enter the profession of audiology as independent audiologists capable of functioning in private practice, medical clinics, and school settings;
2. Provide a strong theoretical, technical, and scientific base for clinical practice;
3. Prepare students to meet certification and licensure requirements;
4. Prepare students appropriately in ongoing professional development and continuing education to maintain currency in the field.

Students will be prepared to:

1. Describe the theoretical and scientific bases for disorders of the auditory and vestibular systems;
2. Elicit case history information and use it in diagnosis and rehabilitation planning;
3. Perform diagnostic tests and rehabilitative services for a wide range of disorders;
4. Perform professionally in a manner consistent with national guidelines and standards of best practice;

5. Counsel patients and refer to other professionals as necessary;
6. Be a critical reader of the literature and engage in continuing education;
7. Monitor the quality of their professional performance;
8. Describe the basics of the business aspects of clinical audiology practice.

Relation to Institutional Mission

At UW-Stevens Point, Communicative Disorders, the parent discipline of audiology, is a selected area of mission focus. The Au.D. is directly aligned with this mission priority. A strong clinical training program in audiology will strengthen the associated Communicative Disorders programs at the baccalaureate and post-baccalaureate levels. At UW-Madison, a training program for clinical audiologists is a necessary element of a vibrant research and teaching program in Communicative Disorders. The program faculty foresee that synergistic interactions will develop between the Au.D. and the Ph.D. in Communicative Disorders at UW-Madison. The research of Ph.D. students will benefit from better access to information about clinical practice, and Au.D. students will have better access to new research and emerging diagnostic and intervention strategies through close contact with the research program.

Diversity

UW-Madison and UW-Stevens Point, like all UW institutions, are committed to racial/ethnic diversity as described in our respective Plan 2008 documents and a range of institutional initiatives. The Au.D. program will make focused efforts to ensure racial/ethnic and physical diversity among students, staff, and faculty. The Au.D. program directors will seek out colleagues at predominantly minority universities and colleges to inform them about the program and encourage their students to apply. The faculty will use the minority student connection sponsored by ASHA to seek out and recruit talented students.

Audiology programs have a history of inclusion of individuals with diverse physical abilities. Both institutions typically have students with hearing impairments enrolled in their programs. Disability services offices at both institutions, which serve students with a range of disabilities, make use of the expertise of the members of the communicative disorders departments.

Practicing audiologists serve all members of the community – people of all racial and ethnic backgrounds, all ages, and with a variety of disabilities. To enhance the professional preparation of students, issues of cultural competence are incorporated throughout the curriculum. These issues are also addressed in specific courses that focus on professional practice. For example the program includes a course entitled “Professional Issues: Diversity and Multicultural Populations.” Other courses focus on working with deaf or hearing-impaired patients and their families or with geriatric populations. The ASHA standards for certification are explicit in their requirements that applicants for certification have acquired knowledge and developed skills that take account of diversity in terms of patient characteristics, ramifications of cultural diversity on professional practice, culturally sensitive screening and assessment measures, and culturally sensitive management strategies.

Need

The proposed Doctor of Audiology program will be the only training program for clinical audiologists in Wisconsin. As UW System's first consortial academic program, the Au.D. links personnel and physical resources that are physically and institutionally distinct into a single academic program. Applicants to the program are likely to come primarily from the pool of graduates from undergraduate programs in Communicative Disorders at UW-Eau Claire, UW-Whitewater, UW-River Falls, UW-Milwaukee, UW-Madison, and UW-Stevens Point. The Au.D. program provides graduates of these undergraduate programs who aspire to become independent clinical audiologists the opportunity to stay in Wisconsin for their training, and then on into practice.

The national need for audiologists is growing. The Bureau of Labor Statistics predicts that, nationally, job growth for audiologists from 2000-2010 will increase by nearly 45 percent, which means an increase of roughly 6,000 positions. In the Midwest, growth in the field is also strong, with growth ranging from an estimated 29.2 percent growth in Iowa to a 43.2 percent in Ohio. Wisconsin's growth rate is estimated at 33.3 percent. Legislatures in 38 states, so far, have mandated universal newborn hearing screening programs. These screening programs, follow-up diagnostic assessments, and subsequent rehabilitation are overseen by clinical audiologists. The aging population also is driving the demand for diagnosis and treatment of hearing impairment. The Americans with Disabilities Act mandates more and better accommodations for people with hearing impairments.

Comparable Programs

Masters programs are converting to Doctor of Audiology programs across the country. Within the Midwest region, several Au.D. programs have begun recently at universities including the University of Minnesota, University of Iowa, Northwestern University, Ohio State University, University of Kansas, and Purdue University. Rush University, Western Michigan University, Ball State University, and Central Michigan University have had smaller programs for several years. Michigan State University will soon discontinue its M.S. and Ph.D. programs in audiology.

Collaboration

The consortial Doctor of Audiology program unifies the UW-Madison and UW-Stevens Point audiology programs, separated by 100 miles, into a single curriculum. Prospective students will apply to a single program, will choose from the same course offerings, will be in classes together, will be placed into a common pool for clinical sites, and will pay the same tuition. The unified curriculum will be taught by faculty from both institutions. Distance-learning technology and meetings at intermediate sites will bridge the geographic gap. Course duplication will be largely restricted to small, hands-on laboratory courses offered at both institutions. Thus, the academic elements of the curriculum will be integrated and virtually seamless from the perspective of the student. In order for all of the students in the program to meet as a whole cohort, UW-Baraboo has been considered as a site for periodic classes that would be mid-distance between Stevens Point and Madison. For the sake of administrative and fiscal efficiency, the program will have the students identify in the application process one or the

other institution as their academic home. The records of the student's enrollment, coursework, financial aid, and tuition payments, as well as management of many of the fiscal issues, will be administered through the selected institution. .

Use of Technology/Distance Education

In general, didactic elements of the curriculum will make use of distributed learning formats, including teleconferencing and internet-based delivery, so that the students at the two locations can meet together in one "class." Technological methods associated with the clinical practice of audiology, including prevention, diagnosis, and rehabilitation, are integral to the curriculum. For example, the selection, adjustment, and verification of hearing aids require the sophisticated use of computers. Similarly, physiological assessments of auditory and vestibular conditions require the use of highly specialized equipment.

Academic and Career Advising

Students will receive advising from program faculty and staff at entry and throughout the program. The program will establish an academic advising committee composed of a faculty representative from each campus and the program coordinator. This committee will provide coordinated academic advising across the two campuses. Any issues that affect both campuses will be brought to the advising committee. During the third year, students will be advised by a three-member committee on their capstone project. The program faculty and staff will assist students with the student-to-career transition as they do currently for students in the M.S. audiology tracks.

Projected Enrollment (5 years)

Year	Implementation year (Fall 2005)	2 nd year	3 rd year	4 th year	5 th year
New students admitted	12	15	16	17	17
Continuing students	28*	33	38	43	48
Total enrollment	40	48	54	60	65
Graduating students	6	9	10	11	14

*This is the anticipated number of students who are currently enrolled in M.S.-Communicative Disorders programs who will want to move into the Au.D. Numbers are adjusted to reflect a dropout rate of one student each year.

In recent years UW-Stevens Point has enrolled five to seven new students annually, and UW-Madison has enrolled ten to twelve new students. The anticipated Au.D. enrollment is consistent with the prior enrollments. For the current M.S. programs, both institutions routinely have more qualified applicants than they have spaces for enrollment.

Assessment and Program Evaluation

To evaluate whether the program is meeting the designated goals and objectives, the program faculty will use the following methods: surveys of graduates, employers, and internship supervisors; aggregated evaluations of student performance in the comprehensive exam and

capstone projects; and performance on the national certification examination.

The new Au.D. program will seek ASHA accreditation. Both of the existing Masters programs are ASHA-accredited and the new program has been designed to meet the ASHA requirements for a Doctor of Audiology program. The standards for accreditation include many elements: stringent requirements for evidence of student learning and assessment are among them. ASHA accreditation is a critical requirement because graduation from an accredited program is the fundamental requirement for professional certification and, in many states, for licensure.

Evaluation from External Reviewers

The external reviewers and the program review committee cite the consortial design of the program as both the program's greatest strength and challenge. The academic contributions of each institution are complementary and, in combination, they offer students the range of faculty expertise and curricular depth and breadth required to transition to this four-year professional program. The program faculty exhibit a mutual commitment to overcoming the challenges of offering one program at two geographically disparate locations: strategies to bring cohesion to the program include the use of distance delivery of curricular content, courses and meetings held at half-way locations, and occasional program-wide convocations at either program site or at neutral sites. The external reviewers agree that the program faculty are cognizant of the challenges and have done the requisite planning and preparation to meet them. They concluded that the program faculty are widely respected, that the curricular design is sound, that the need for the program is evident, and that the graduates will be well-prepared as practitioners of audiology.

Resource Needs

The Doctor of Audiology program has resource needs that go beyond those available from reallocation from the master's level audiology tracks. There is substantial overlap with the existing M.S. curriculum; sixteen courses were offered at both institutions as part of the M.S. curriculum and will be included in the Au.D. Students at each site will pay the same consortial tuition rate, which is set at the level of graduate tuition at UW-Madison. Each institution will have fiscal responsibility for the funds generated by students who have identified it as their academic home. The institutions and the program faculty are committed to making fiscal decisions and establishing cost-sharing arrangements that are in the best interests of the program. Each institution will create a fiscal reserve to cover unanticipated program costs or to offset costs that create an undue burden for one institution.

New resource needs include upgrades to the distance education infrastructure (especially at UW-Madison), some increase in instructional faculty, and the addition of an administrative staff person. In addition, both institutions will incur implementation costs associated with bridging the geographic gap and pioneering the consortial arrangements associated with the program.

Overall Budget: Estimated Total Costs and Resources

	1st Year, 2005-06	2nd Year, 2006-07	3 rd Year, 2007-08
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CURRENT COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel						
Faculty/Instructional Staff	7.78	\$385,060	7.78	\$396,612	7.78	\$408,510
Graduate Assistants	0	\$0		\$0		\$0
Non-instructional Staff	1.45	\$50,451	1.45	\$51,964	1.45	\$53,524
Non-personnel						
Supplies & Equipment		\$37,193		\$37,193		\$37,193
Capital Equipment		\$0		\$0		\$0
Library		\$0		\$0		\$0
Computing		\$0		\$0		\$0
Subtotal		\$472,704		\$485,769		\$499,227
ADDITIONAL COSTS	#FTE	Dollars		Dollars	#FTE	Dollars
Personnel						
Faculty/Instructional Staff	2.95	\$126,186	3.45	\$158,172	3.45	\$162,917
Graduate Assistants	0	\$0		\$0		\$0
Non-instructional Staff	1.20	\$60,000	1.20	\$61,800	1.20	\$63,654
Non-personnel						
Supplies & Equipment		\$24,000		\$32,000		\$32,000
Capital Equipment		\$14,000		\$17,000		\$17,000
Library		\$0		\$0		\$0
Computing		\$0		\$0		\$0
Other (Student Hourly)		\$7,500		\$7,500		\$7,500
Other (Scholarships)		\$40,000		\$60,000		\$60,000
Other (Reserves)		\$12,417		\$13,617		\$10,847
Subtotal		\$284,103		\$350,089		\$353,918
TOTAL COSTS		\$756,807		\$835,858		\$853,145
CURRENT RESOURCES						
GPR		\$472,704		\$485,769		\$499,227
Subtotal		\$472,704		\$485,769		\$499,227
ADDITIONAL RESOURCES						
GPR Reallocation		\$244,143		\$265,729		\$268,714
Tuition/Fees		\$39,960		\$84,360		\$85,204
Subtotal		\$284,103		\$350,089		\$353,918
TOTAL RESOURCES		\$756,807		\$835,858		\$853,145

Notes:

Budget assumes a 3 percent annual increase in salary.

No graduate assistants are allotted to this program.

Current costs are based on the existing M.S. programs.

RECOMMENDATION

No action requested at this time.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review (November 10, 1995), Academic Informational Series #1 (ACIS-1.0 revised).

Program Authorization (Implementation)
B.A./B.S. in International Studies
University of Wisconsin-River Falls

EDUCATION COMMITTEE

Resolution I.1.f.:

That, upon recommendation of the Chancellor of the University of Wisconsin-River Falls and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.A./B.S. in International Studies.

**NEW PROGRAM AUTHORIZATION
B.A./B.S. in International Studies
UW-River Falls
(IMPLEMENTATION)**

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the procedures outlined in Academic Planning and Program Review (ACIS-1.0 revised), the new program proposal for a major in International Studies at the University of Wisconsin-River Falls is presented to the Board of Regents for implementation. If approved, the program will be subject to a regent-mandated review to begin five years after its implementation. UW-River Falls and System Administration will conduct that review jointly, and report the results to the Board.

The faculty and staff at UW-River Falls recognize the important and growing need to prepare students for careers in a world that is characterized by increasing internationalization and globalization. Since summer 1995, a minor in International Studies has been available at UW-River Falls. From an initial enrollment of six students, the program has expanded to a current enrollment of 100 students and additional growth is expected. The proposed program will build on that established success and will provide students with the option of majoring in International Studies.

REQUESTED ACTION

Approval of Resolution I.1.f., authorizing the implementation of the B.A./B.S. in International Studies, UW-River Falls.

DISCUSSION

Program Description

The proposed B.A./B.S. in International Studies will be offered through the International Studies Program, an interdisciplinary program that draws upon faculty and courses from all the colleges at the University. It is housed administratively in the College of Arts and Sciences; students can complete the major within the Colleges of Agriculture, Food, and Environmental Sciences; Arts and Sciences; or Education and Professional Studies. The program will have these components:

- First, students must complete a set of carefully selected required courses designed to provide a firm understanding of the critical international issues confronting global society, to develop both the research and analytical skills necessary to evaluate international phenomena from an interdisciplinary perspective, and to develop effective communication skills.

- Second, students complete directed electives. These courses allow students to pursue additional training in areas of particular relevance to their career plans, for example, business, economics, or political science.
- Third, the students will be required to study abroad to obtain first-hand experience in a foreign culture.
- Finally, students will acquire basic foreign language skills.

Program Goals and Objectives

The primary mission of the International Studies Program is to create global awareness by providing students with the intellectual skills and substantive knowledge necessary to meet the global challenges of the 21st Century. By the completion of the international studies major, graduates will be able to:

1. Identify the key agricultural, economic and business, geographic, historical, social/cultural, and political condition and trends at the global level, and the linkages to the domestic and international levels;
2. Demonstrate first-hand experience with at least one other foreign culture and way of life;
3. Collect, assess the value of, and apply information to the study of international issues;
4. Evaluate critically global issues from an interdisciplinary perspective;
5. Communicate effectively in written, oral, and electronic contexts;
6. Organize and complete independent inquiry and analysis; and
7. Demonstrate an intermediate-level competency in a second language, equivalent to at least two years' of college-level work.

Relation to Institutional Mission

The increasing internationalization of the world cannot be ignored. This is reflected in the UW-River Fall's Mission Statement: "The University offers students the opportunity to increase their global awareness and sensitivity to other cultures. It also has a continuing commitment to provide opportunities for students to live, study, and travel abroad." In spring 2004, the University's Faculty Senate approved a requirement that all students complete at least one course dealing with global perspectives. This new requirement and the proposed program complement and reinforce each other.

This proposed program also addresses UW System objectives. UW System has indicated broad support for internationalization of the curriculum. The 2003-2004 Accountability Report indicated "the long-term goal of the UW System is to increase the proportion of bachelor's degree recipients who have studied abroad to 25 percent." The most recent UW System International Education Strategic Plan draft indicates that "The International Education Mission of the University of Wisconsin System is to strengthen the global and international dimensions of teaching, learning, research, and service throughout the System."

Diversity

A primary goal of the proposed major is to expose students directly to diverse cultures. Outcome two states, “By the completion of the international studies major, graduates will be able to . . . demonstrate first-hand experience with at least one other foreign culture and way of life.” While this outcome is focused on the international level, it is also accurate to portray the on-campus, domestic components of the program as contributing to the exposure of students to diversity. They enroll in courses taught by faculty with a wide range of ethnic, professional, and cultural backgrounds. One of the external reviewers, noted, “Among the strengths of the proposal are its reliance on the university’s standing investment in a diverse faculty with wide ranging expertise.” The international studies minor has attracted a diverse student body. Informal observation indicates that at least five percent of the students are African-American, Hispanic, or Asian-American, and approximately 80 percent are women. These figures are near or above the average campus percentages of students in those categories.

UW-River Falls also has a long-standing commitment to assist students from all backgrounds, including those with disabilities. The proposed major requires a study-abroad experience, and accommodations have been made in the past to facilitate full participation by students with a variety of disabilities. Students can petition for an alternative academic substitution for the study-abroad requirement, such as an internship with a recent immigrant group, for situations wherein study abroad might be too problematic.

Need

UW-River Falls is located in the St. Croix Valley region in western Wisconsin. St. Croix and Pierce counties are among the fastest growing areas of the entire state. This development, combined with expanding economic activity in the region, is increasing the demand for university graduates in general and for graduates with international studies in particular. Local demand for the proposed program has been documented through annual surveys of students enrolled in the international studies minor. More than half of the currently enrolled 100 students indicate that they would either choose to major in international studies or would have chosen to major if the program had been available when they were freshmen.

Comparable Programs

Seven UW System institutions have international studies majors and five have alternatives, such as the Latin American Studies program at UW-Eau Claire. None of the four UW System institutions close to UW-River Falls has an international studies major. Because of the strong regional demand, the proposed major is unlikely to affect enrollment levels at other UW System institutions.

UW-River Falls’ non-Wisconsin competition is based primarily in the state of Minnesota. According to the staff in the UW-River Falls Admissions Office, the primary competition comes from Mankato State, Metro State, St. Cloud State, the University of Minnesota, and, to a lesser extent, Winona State. Of these, only the University of Minnesota and Winona State have international studies programs. It appears likely that the proposed program would create an

advantage in recruiting and retaining regional students who have an interest in international studies.

Collaboration

UW-River Falls has been successful working on international programs with other institutions in the past. For instance, it is a founding member of a successful collaborative study-abroad program, Wisconsin in Scotland, with UW-Eau Claire, UW-La Crosse, UW-Stout, and UW-Superior. This program involves sharing teaching, administrative, and other responsibilities and pooled resources to provide equipment and library resources. Recently, UW-River Falls became a participant in the Eur-Am Center for International Education's L'Abbey program in Pontlevoy, France, a consortium that provides students the opportunity to study abroad for a semester or year. The proposed program will build on and expand these collaborative relationships. The University will continue to explore possibilities for sharing programs and expertise with other UW institutions in the international area.

Use of Technology/Distance Education

Technology will be integrated into the curriculum in several ways. First, several of the required courses are taught using technology. Students in the senior seminar will be required to use PowerPoint presentations, and statistical software packages such as SPSS will be available for their use. In addition, extensive use of web technology and, potentially, distance education can help international studies students access experts and information from across the globe.

Academic and Career Advising

Academic and career advising for majors will occur in several ways. Members of the International Studies Program Advisory Committee, whose members are drawn from various colleges and departments, will be available to students for advising. Students in the major will be able to consult with one or more faculty members with a background similar to their interests. The advisors in the Career Services Office staff can provide numerous resources to the students in the major. Also, the chair of the International Studies Program will be available regularly to assist all students in the program with both academic and career advising.

Projected Enrollment (5 years)

	Implementation Year	2nd Year	3rd Year	4th Year
New students admitted	20	15	15	15
Continuing Students	0	18	30	41
Total enrollment	20	33	45	56
Graduating Students	0	0	8	15

The figures in the columns for years two and beyond reflect anticipated attrition.

Assessment and Program Evaluation

Assessment will be conducted each spring by the International Studies (INTS) Program Advisory Committee under the direction of the Program's chair. Several mechanisms will be used:

- Annual surveys, qualitative and quantitative, of graduating students conducted by the International Studies Program;
- Annual focus group discussions with graduating students;
- Assessment of learning outcomes in program courses through the use of examinations, essays, and presentations conducted by various faculty and staff; and
- Annual exit interviews with graduating seniors conducted by the International Studies chair.

When outcomes of the assessment processes indicate a need to modify components of the program, the program advisory committee will oversee a collaborative interdisciplinary revision process. Some changes can be instituted using regular program review processes. Other changes will involve dialogues with the relevant department faculty and related deans to attain the appropriate modifications or change the curriculum of the INTS Program.

Evaluation from External Reviewers

Two educators with substantial experience in international studies reviewed the program proposal. They concurred that the proposed major fills an important need for the University and region. One reviewer commented on the “practical feel” of the program with links to “agriculture and business in addition to the conventional political science aspects of International Studies.” He indicated this is reflective of a national trend to “include academic fields where there may be career connections for international studies.” Both reviews commented on the strength of the faculty and staff and the rigorous curriculum.

Resources Needs

The International Studies Program already has available \$20,586 that supports the existing minor. This includes resources to purchase library materials, provide staff for international studies courses, purchase supplies and pay expenses, and provide 1/8 reassigned time for the chair. With the exception of a required senior seminar and an introduction to global economics and business course, which will be staffed through a planned reallocation of faculty within the College of Business and Economics, all the courses included in the major are part of the International Studies Program's curriculum already serving the minor. Another \$5,382 will be needed to provide reassigned time for the chair for administrative and advising responsibilities in the first year of the new major. An additional \$5,382 will be needed within three years to provide a senior seminar in international studies. Additional internal reallocations may be made if enrollment demands require it.

Three-year Estimated Costs and Income

	FIRST YEAR		SECOND YEAR		THIRD YEAR	
CURRENT COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel:						
Fac/Acad Staff	3/8	\$16,146	½	\$21,528	½	\$21,528
Grad Assistants		NA		NA		NA
Classified Staff		NA		NA		NA
Non-personnel:						
S&E		\$2,250		\$2,250		\$2,250
Capital Equipment		NA		NA		NA
Library		\$2,190		\$2,190		\$2,190
Computing		NA		NA		NA
Subtotal		\$20,586		\$25,968		\$25,968
ADDITIONAL COSTS (Specify)	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel	1/8	\$5,382	0	\$0	1/8	\$5,382
Non-personnel		NA		NA		NA
Other		NA		NA		NA
Subtotal		\$5,382		\$0		\$5,382
TOTAL COSTS		\$25,968		\$25,968		\$31,350
CURRENT RESOURCES						
GPR		\$20,586		\$25,968		\$25,968
Gifts and Grants		\$0		\$0		\$0
Fees		\$0		\$0		\$0
Other		\$0		\$0		\$0
Subtotal		\$20,586		\$25,968		\$25,968
ADDITIONAL RESOURCES						
GPR Reallocation from academic program funding		\$5,382		\$0		\$5,382
Gifts and Grants		\$0		\$0		\$0
Fees		\$0		\$0		\$0
Other (Define)		\$0		\$0		\$0
Subtotal		\$5,382		\$0		\$5,382
TOTAL RESOURCES		\$25,968		\$25,968		\$31,350

RECOMMENDATION

The University of Wisconsin System recommends approval of Resolution I.1.f., authorizing the implementation of the B.A./B.S. in International Studies, UW-River Falls.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review
(November 10, 1995), Academic Informational Series #1 (ACIS-1.0 revised).

Revised Mission Statement
University of Wisconsin-Whitewater

EDUCATION COMMITTEE

Resolution I.1.g.:

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the University of Wisconsin-Whitewater's revised mission statement.

**REVISED MISSION STATEMENT
UNIVERSITY OF WISCONSIN-WHITewater
(APPROVAL)**

EXECUTIVE SUMMARY

BACKGROUND

Chapter 36.09(b), Wis. Stats., requires that "the Board, after public hearing at each institution, shall establish for each institution a mission statement delineating specific program responsibilities and types of degrees to be granted."

The University of Wisconsin-Whitewater requests approval for its revised Mission Statement. The revised mission results from a process of extensive institution-wide discussions, beginning in 2000, in which a set of core values were identified and aligned with Whitewater's mission statement, objectives, and university goals. Both the original and revised mission statements are attached.

UW-Whitewater's revised mission statement underwent initial review at the September 9, 2004, meeting of the Education Committee. On December 2, 2004, a public hearing was held at the institution, presided over by Regent Jesus Salas. The hearing included students, faculty, staff, and community members.

REQUESTED ACTION

Approval of Resolution I.1.g., approving UW-Whitewater's revised mission statement.

TO: Cora B. Marrett, Senior Vice President for Academic Affairs
University of Wisconsin System

FROM: Richard Telfer, Provost and Vice Chancellor for Academic Affairs
University of Wisconsin-Whitewater

DATE: December 28, 2004

RE: Revision of University of Wisconsin-Whitewater Mission Statement

We have now completed an extensive process to revise our mission statement (the Select Mission of the University of Wisconsin-Whitewater). The revision of the mission statement is an outgrowth of a process begun in 2000 through which we identified a set of core values and aligned them with our mission statement, objectives, and university goals. In September, the revision of the mission statement received its first reading from the Board of Regents. In December, Regent Jesus Salas presided over a public hearing on the mission statement revision. Subsequent to the public hearing, the Strategic Planning and Budget Committee (SPBC) considered the public comments, questions, and suggestions and made some appropriate minor adjustments.

The following timeline highlights major activities and events related to the proposed revision of the mission statement.

Identification of Core Values established as university goal	2000
Draft of Core Values based on synthesis of ideas from existing university documents	2001
Refinement of Core Values statements by SPBC	Fall 2001
Feedback on Core Values statements from governance groups and others	Fall 2001
Focus groups looked at alignment of Core Values, Mission Statement, and University Goals	Fall 2002
Feedback from governance groups on alignment of Core Values, Mission Statement, and University Goals	Fall 2002 – Spring 2003

SPBC consideration of alignment of Mission Statement with Core Values and University Goals, proposed revision of Mission Statement	Spring – Summer 2003
Presentation of draft revisions in Mission Statement to campus governance groups	October 2003
Feedback on draft revisions in Mission Statement from campus community	Fall 2003 – Spring 2004
Approval of revisions in Mission Statement by campus Governance Groups	April-May 2004
First reading of revision of Mission Statement by Board of Regents	September 2004
Public hearing presided over by Regent Jesus Salas	December 2004

Attached are copies of the proposed University of Wisconsin-Whitewater Mission Statement, the current (1989) Mission Statement, and a marked up version with changes indicated. A summary of the public hearing is also attached. I look forward to the opportunity to discuss the revised Mission Statement with you and with the Board of Regents. If you have questions about the Mission Statement or the process, please feel free to contact me. Thank you for your assistance with the process.

C: Chancellor Miller
Faculty Senate Chair Erdmann
Academic Staff Assembly Chair Kennedy
Whitewater Student Government President Wilder
Regent Salas

Select Mission of the University of Wisconsin-Whitewater
(Proposed New Version, 12/04)

The University of Wisconsin-Whitewater is committed to the development of the individual, the growth of personal and professional integrity and respect for diversity and global perspectives. These are met by providing a safe and secure environment in which academic and co-curricular programs emphasize the pursuit of knowledge and understanding and a commitment to service.

The mission of the University of Wisconsin-Whitewater is:

1. To provide a range of undergraduate programs and degrees in letters, sciences, the arts, and professional specializations, including interdisciplinary programs.
2. To offer graduate education built clearly upon its undergraduate emphases and strengths with particular emphasis in the fields of business, education, communication, and human services.
3. To engage in scholarly activity, including research, scholarship and creative endeavor, that supports its programs at the associate and baccalaureate degree level, its graduate programs, and its select mission.
4. To create and maintain a positive and inviting environment for multicultural students, students with disabilities, and nontraditional students, and provide support services and programs for them.
5. To serve as a regional cultural and economic resource center through its service initiatives.
6. To provide continuing education and outreach programs as integrated institutional activities.
7. To provide a variety of co-curricular activities which enhance out-of-class learning opportunities.
8. To encourage and maintain a high level of personal and professional integrity in all University life and activities.

Select Mission of the University of Wisconsin-Whitewater
(Existing version with underlines and strikethroughs, 12/04)

The University of Wisconsin-Whitewater is committed to the development of the individual, the growth of personal and professional integrity and respect for diversity and global perspectives. These are met by providing a safe and secure environment within which academic and co-curricular programs emphasize the pursuit of knowledge and understanding and a commitment to service.

~~In addition to the system and core missions,~~ The mission of the University of Wisconsin-Whitewater is: ~~has the following select mission:~~

- a. ~~The University offers an extensive~~ To provide a range of undergraduate programs and degrees, including interdisciplinary programs, in letters, sciences, ~~and the arts, and as well as programs and degrees leading to professional specializations,~~ including interdisciplinary programs.
- b. ~~The University offers~~ To offer graduate education built clearly upon its undergraduate emphases and strengths with particular emphasis in the fields of business, education, communication, and human services. ~~and education.~~
- c. ~~The University expects~~ To engage in scholarly activity, including research, scholarship and creative endeavor, that supports its programs at the associate and baccalaureate degree level, its ~~selected~~ graduate programs, and its ~~special~~ select mission.
- d. ~~To create and maintain a positive and inviting environment for multicultural students,~~ The University provides supportive services and programs for students with disabilities.
- e. ~~The University recruits minority and non-traditional students,~~ and provides support services and programs for them.
- f. ~~The University serves~~ To serve as a regional cultural and economic resource center through its service initiatives.
- g. ~~The University provides~~ To provide continuing education and outreach programs as ~~an~~ integrated institutional activityies.
- h. To provide a variety of co-curricular activities which enhance out-of-class learning opportunities.
- i. To encourage and maintain a high level of personal and professional integrity in all university life and activities.

Select Mission of the University of Wisconsin-Whitewater
(Existing Version)

In addition to the system and core missions, the University of Wisconsin-Whitewater has the following select mission:

- a. The University offers an extensive range of undergraduate programs and degrees, including interdisciplinary programs, in letters, sciences, and the arts, as well as programs and degrees leading to professional specialization.
- b. The University offers graduate education built clearly upon its undergraduate emphases and strengths with particular emphasis in the fields of business and education.
- c. The University expects scholarly activity, including research, scholarship and creative endeavor, that supports its programs at the associate and baccalaureate degree level, its selected graduate programs, and its special mission.
- d. The University provides supportive services and programs for students with disabilities.
- e. The University recruits minority and non-traditional students and provides support services and programs for them.
- f. The University serves as a regional cultural and resource center.
- g. The University provides continuing education and outreach programs as an integrated institutional activity.

Amendments to
Faculty Personnel Policies
University of Wisconsin-Stout

EDUCATION COMMITTEE

Resolution I.1.h.:

That, upon recommendation of the Chancellor of the University of Wisconsin-Stout and the President of the University of Wisconsin System, the Board of Regents approves the amendments to the UW-Stout Faculty Personnel Policies.

FACULTY PERSONNEL POLICIES AND PROCEDURES UNIVERSITY OF WISCONSIN-STOUT

EXECUTIVE SUMMARY

BACKGROUND

Section UWS 2.02, Wisconsin Administrative Code ("Faculty Rules: Coverage and Delegation") requires that rules, policies, and procedures developed by each institution in the System pursuant to Chapters UWS 3, 4, 5, 6 and 8 must be approved by the Board of Regents before they take effect.

The proposed revisions to the UW-Stout Faculty Personnel Policies have been approved by the appropriate faculty governance bodies and are recommended by Chancellor Charles W. Sorensen. These revisions have also been reviewed by the UW System Office of the General Counsel and the Office of Academic Affairs.

UW-Stout has been in the process of updating current personnel policies contained within its *Faculty/Academic Staff/Limited Appointees Handbook*. The following sections were revised to ensure that wording is consistent with policy: Non-Renewal of Probationary Appointments; Procedures for Dismissal; Post-Tenure Review; Probationary Appointments; Renewal of Appointments and Granting Tenure; and Periodic Review.

REQUESTED ACTION

Approval of Resolution I.1.h., approving the amendments to the UW-Stout Faculty Personnel Policies.

DISCUSSION AND RECOMMENDATIONS

UW System Administration recommends approval of these revisions.

Supporting material for Agenda Item I.1.h., Amendments to Faculty Personnel Policies for University of Wisconsin-Stout, may be obtained by contacting the Board of Regents Office.

Phone: 608-262-2324

Fax: 608-262-5739

Authorization to Recruit:
Chancellor
University of Wisconsin-Eau Claire

EDUCATION COMMITTEE:

Resolution:

That, the President of the University of Wisconsin System be authorized to recruit for a Chancellor of the University of Wisconsin-Eau Claire, at a salary within the Board of Regents salary range for university senior executive salary group three.

Request for Authorization to Recruit

Institution: University of Wisconsin-Eau Claire

Type of Request: Chancellor Search

Official University Title: Chancellor

Description of Duties:

As Executive head of his/her respective faculty and institution, the Chancellor is vested with the responsibility of administering Board policies under the coordinating direction of the President and is accountable and reports to the President and the Board on the operation and administration of his/her institution. Subject to Board policy, the Chancellor of the institution in consultation with the faculty is responsible for: designing curricula and setting degree requirements; determining academic standards and establishing grading systems; defining and administering institutional standards for faculty peer evaluation and screening candidates for appointment, promotion and tenure; recommending individual merit increases; administering associated auxiliary services; and, administering all funds, from whatever source, allocated, generated or intended for use by the institution.

Recommended Salary Range: University Senior Executive Group 3
(Salary range for 2004-05 is \$168,622 to \$206,093)

Source of Funds: 102

Replacement Position for: Donald Mash

Salary of Previous Incumbent: \$173,525

Justification for the Salary Range:

Under Regent Policy 94-4 the Board adopted an executive salary range policy that the salary range midpoint be set at 95% of the peer median and the salary range calculated at 90% and 110% of the midpoint. Effective September 1, 2001, the statutes were amended by the 2001-03 biennial budget act (2001 Wisconsin Act 16) to give the Board of Regents authority to establish salary ranges for the chancellors. The salary range is the actual 2004-05 range last approved by the Board of Regents, November 5, 2004.

Approved by:

Kevin P. Reilly, President
February 11, 2005

Authorization to Recruit (Approved)(Denied)
By the Board of Regents on _____.

UW-Eau Claire Chancellor Competitive Salary Information

2004-05 Senior Executive Salary Range Calculated in Accordance with Board of Regents' Policy:

2003-04 peer group median salary:	\$192,408
CUPA-HR projects 2.5% increase in 2004-05	<u>x 1.025</u>
2004-05 projected peer group median:	\$197,218
Executive salary policy cost-of living adjustment	<u>.95</u>
Regents Salary Range Midpoint:	\$187,357
Regents Salary Range Minimum (90%):	\$168,622
Regents Salary Range Maximum (110%):	\$206,093

2003-04 Peer Group Salaries:

Wright State University	\$282,658
University of Akron	\$281,011
Western Michigan University	\$250,000
University of Illinois-Springfield	\$230,625
Central Michigan University	\$229,230
University of Northern Iowa	\$226,519
Eastern Michigan University	\$222,000
Northern Michigan (was \$213,210)	vacant
Michigan Technological University	\$210,940
Western Illinois University	\$210,000
Northeastern Illinois University	\$210,000
Southern Illinois University-Edwardsville	\$209,454
Oakland University	\$204,495
Youngstown State University	\$203,520
Chicago State University	\$200,448
University of Michigan-Dearborn	\$193,003
University of Michigan-Flint	\$193,000
St. Cloud State University	\$191,816
University of Minnesota-Duluth	\$190,000
Grand Valley State University	\$184,700
Winona State University	\$182,894
Purdue University-Calumet	\$182,100
Minnesota State University-Moorhead	\$181,756
Minnesota State University-Mankato	\$181,116
University of Southern Indiana	\$179,200
Indiana-Purdue University-Ft. Wayne	\$179,100
Eastern Illinois University	\$173,004
Saginaw Valley State University	\$172,700
Bemidji State University	\$171,437
Ferris State University	\$165,000
Indiana University-Northwest	\$155,040
Indiana University-Southbend	\$153,000
Indiana University-South East	\$153,000

Mean	\$198,524
Median	\$192,408

UW System Non-Doctoral Institution Chancellor 2004-05 Salaries:

UW-Stout	\$174,434
UW-Stevens Point	\$172,500
UW-Green Bay	\$168,622
UW-Platteville	\$168,622
UW-Superior	\$168,622
UW-Parkside	\$168,622
UW-La Crosse	\$168,622
UW-Oshkosh	\$168,622
UW-Whitewater	\$168,622
UW-River Falls	\$164,686
UW-Colleges	\$164,686
UW-Extension	\$164,686

Mean	\$168,456
Median	\$168,622

REVISED

I.2. Business and Finance Committee Meeting

Thursday, February 10, 2005
1920 Van Hise Hall
1220 Linden Drive

10:00 a.m. All Regents - Room 1820 Van Hise Hall

- Governor's 2005-07 Biennial Budget
- President's Efficiencies and Report to the Joint Audit Committee
- Discussion of and action on consolidation of administrative operations of UW Colleges and UW-Extension, and authorization to recruit a Chancellor for UW Colleges and UW Extension
[Resolution A]

12:00 p.m. Box Lunch

12:30 p.m. All Regents

- Plan 2008: Educational Quality Through Racial and Ethnic Diversity - Phase II

1:30 p.m. Business and Finance Committee Meeting – Room 1920 Van Hise Hall

- a. Approval of Minutes of the December 9, 2004 meeting of the Business and Finance Committee
- b. Annual Financial Report
- c. Office of Operations Review and Audit Update
 - Major Operations Review Projects
 - UW Institution Audit Activities
 - Legislative Audit Bureau Projects
 - UW Procedures for Removing Data from Surplus Computers Prior to Disposal
- d. Business of the Committee
 - (1) Utilities Report to Joint Committee on Finance
 - (2) Quarterly Gifts, Grants and Contracts Report
- e. Trust Funds
 - (1) Annual Trust Funds Report
 - (2) Introduction to Real Asset Classes
- f. Report of the Vice President
- g. Additional items which may be presented to the Committee with its approval
- h. Closed session to consider trust fund matters as permitted by s.19.85(1)(e) *Wis. Stats.*

ANNUAL FINANCIAL REPORT

EXECUTIVE SUMMARY

BACKGROUND

The UW System annually publishes an Annual Financial Report that includes financial statements prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The statements are audited by the Legislative Audit Bureau, and also appear, in a somewhat modified format, in the State of Wisconsin's Comprehensive Annual Financial Report.

REQUESTED ACTION

This report is submitted for information only.

DISCUSSION AND RECOMMENDATIONS

The UW System's Annual Financial Report for fiscal year 2003-2004 includes a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows. The accompanying Notes to the Financial Statements are an integral part of the financial statements, including both disclosures required by GAAP and explanations intended to aid the reader in understanding the statements. In addition, the Annual Financial Report includes a "Management Discussion and Analysis" (MD&A) section that is intended to provide an objective and easily readable analysis of the UW System's financial activities. The UW System's Annual Financial Report may be found at <http://www.uwsa.edu/fadmin/finrep/afr.htm>.

Preceding the MD&A, financial statements, and notes are several graphs showing some of the ten-year trend data that has been included in prior annual financial reports. Because it was not practical to restate prior years for purposes of these graphs, data for fiscal years 2001-2002, 2002-2003, and for 2003-2004 are portrayed on the GAAP reporting basis that was in effect prior to the adoption of GASB Statement 35 which introduced a number of significant changes to the GAAP reporting model. (These changes were discussed in detail in the Annual Financial Report for 2001-2002.) Charts 1 and 2 show the amount of revenue derived, in nominal and inflation-adjusted dollars, respectively, from state appropriations, from tuition and fees, and from all other sources. When adjusted for inflation, state support has been relatively flat over most of the ten year period. Revenue from other sources has steadily increased. Chart 3 shows the growth in university controlled endowments over the past ten years.

RELATED REGENT POLICIES

None

OFFICE OF OPERATIONS REVIEW AND AUDIT PROJECT STATUS REPORT

BACKGROUND

This report is presented to the Board of Regents Business and Finance Committee to provide: (1) a status report on the major projects the UW System Office of Operations Review and Audit is conducting; (2) an overview of the types of projects UW institution auditors conducted during fiscal years 2003 and 2004; (3) an update on Legislative Audit Bureau projects in the UW System; and (4) a summary of a recently completed program review project.

REQUESTED ACTION

For information only.

MAJOR OFFICE OF OPERATIONS REVIEW AND AUDIT PROJECTS

1. Procedures and Methods for Removing Data from Surplus Computers addresses information privacy laws, methods for removing data from personal computers before they are discarded, and computer-disposal procedures. A summary appears below, and the final report is enclosed.
2. Safeguarding Student Social Security Numbers focuses on UW institutions' practices for collecting, using, and protecting student Social Security numbers. A report is being drafted.
3. Police and Security Operations examines the authority and responsibilities of campus police and public safety operations; services provided; and such administrative areas as staffing and equipment. A report is being drafted.
4. Special Course Fees describes the range of special course fees among UW institutions, reviews the authorization process for these fees, and assesses the adequacy of fee collection and assessment procedures. A report is being drafted.
5. Early-Return-to-Work Efforts is focused on initiatives that seek to return ill or injured employees to work as soon as medically feasible. A report is being drafted.
6. Oversight of Student Organizations identifies efforts to manage risk and reduce liability associated with student organization activities and best practices for oversight of student organizations. Research is nearly complete.
7. Academic Fees audits are being conducted at each UW institution to determine the adequacy of policies, procedures, and internal controls related to the assessment and collection of

student fees. UW-Madison, UW-Platteville, UW-Oshkosh, UW-Stevens Point, and UW-Whitewater have been included to date.

8. The National Collegiate Athletic Association requires annual financial statements from the athletic departments at UW-Green Bay, UW-Milwaukee, and UW-Parkside. Certain calculations and internal accounting controls are reviewed annually for these institutions.

UW INSTITUTION AUDIT ACTIVITIES

The UW System Office of Operations Review and Audit worked with the UW institution auditors several years ago to identify six core audit areas: cash handling, payroll/personnel, property control, auxiliary operations, tuition and segregated fee revenues, and major systems. The frequency and scope of work performed in each of the core areas is to be based on the professional judgment of each UW institution auditor. For fiscal years 2003 and 2004, approximately 80 percent of reported audit activity was in these core audit areas. Project types included reviewing capital equipment inventory procedures, counting petty cash funds, assessing data security risks, reviewing internal controls for payroll, and reviewing compliance with state and UW System policies.

LEGISLATIVE AUDIT BUREAU PROJECTS

The Legislative Audit Bureau (LAB) has been conducting a number of UW System-related projects.

1. UW-specific projects: (a) In late December LAB provided an unqualified (clean) opinion on the presentation of the UW's FY 2003-04 financial statements, and (b) A review of UW-Madison's Material Distribution Service (MDS) and Surplus with a Purpose (SWAP) programs will analyze staffing levels, facilities, and the overall financial condition of the programs, with an anticipated completion date of summer 2005.
2. Statewide projects: (a) The annual statewide single audit of major federal programs is due to the federal government by March 31, 2005; (b) An evaluation of the state vehicle fleet, focused largely on the Department of Administration, will include the number and type of vehicles owned, employee reimbursement policies, and vehicle purchases; LAB anticipates a spring 2005 completion date; (c) A limited-scope review of cellular phone use in all state agencies, including FY 2003-04 expenditures and policies and procedures, is expected to be released no later than March 2005, and (d) A review of the state's economic development programs is due to be completed by spring 2005.

SUMMARY: PROGRAM REVIEW REPORT ON UW PROCEDURES AND METHODS FOR REMOVING DATA FROM SURPLUS COMPUTERS

The Office of Operations Review and Audit reviewed UW institutions' procedures for removing data from computers when the computers are no longer used. The review was conducted in response to the privacy issues raised when some higher education institutions and government agencies disposed of computer hard drives that contained sensitive personal information.

UW institutions store certain data on personal computers that is subject to both state and federal privacy laws. UW institutions did not report any instances in which confidential information had been inappropriately disclosed through discarded computer hard drives. However, with UW institutions replacing personal computers every three to four years, it is important that the data stored on the computers be securely removed.

Some of the most widely-suggested methods for securely removing stored data are wiping, degaussing, and destruction. Various UW institutions use each of these methods, but some also use methods that do not ensure secure data removal. The report recommends all UW institutions securely remove data from surplus computers prior to disposal. Also, systemwide Regent Policy Document 97-2, "Policy on Use of University Information Technology Resources," could be amended to address the secure destruction of private and confidential records prior to computer disposal.

Some of the disposal methods UW institutions use are recycling, selling, or donating. Some computers that meet certain minimum standards may be re-used. While UW institutions reported following certain disposal procedures, not all of the procedures are written. The report recommends UW institutions adopt formal policies and procedures for disposing of surplus computers.

Office of Operations Review and Audit



Program Review

**UW Procedures and Methods
for Removing Data from Surplus Computers**

January 2005

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SCOPE

The University of Wisconsin System Office of Operations Review and Audit reviewed University of Wisconsin (UW) System institutions' procedures and methods for removing data from the hard drives of surplus personal computers at the time of disposal. During the review, we conducted telephone interviews with staff at all UW System institutions responsible for computer surplus equipment. UW staff we interviewed included surplus managers, directors of information technology services, and campus network support staff. We also reviewed the procedures of some other higher education institutions.

The review was limited to desk analysis of disposal procedures and methods. No computers were actually checked, with the exception of those examined by UW-Madison audit staff as part of a separate review. Also, the review focused on disposal procedures, rather than on procedures for safeguarding stored confidential information in the regular course of business.

BACKGROUND

This review was prompted largely by the concerns raised in various studies, analyses, publications, and news media. For instance:

- The *Chronicle of Higher Education* reported on February 14, 2003 that two researchers at the Massachusetts Institute of Technology found recoverable information from some computer hard drives they purchased from eBay. The recoverable information included corporate personnel memos, love letters, credit card numbers, and ATM transaction accounts and histories.
- *CNN.com* reported on February 13, 2003 that a State of Kentucky computer put up for sale as surplus contained confidential files of thousands of people with Acquired Immunodeficiency Syndrome (AIDS) and other sexually transmitted diseases.
- *Federal Computer Week* reported on August 26, 2002 that the U.S. Department of Veterans Affairs has had to tighten its policy on the disposal of old computers after some computers containing sensitive personal information about veterans, including medical records, were given away.

Sensitive information was left on some surplus computers.
--

In 2003 the University of Iowa and University of Michigan conducted internal reviews of their property disposition practices. The University of Iowa Internal Audit Department reviewed the surplus computer disposal practices at the University of Iowa College of Medicine. The audit staff recovered data of a sensitive nature from two of the three computers selected among the 30 computers that were waiting to be sent to surplus.¹ Auditors at the University of Michigan

¹ The University of Iowa, Internal Audit Department. *UIHC/College of Medicine Review of Surplus Computer Disposal Practices*. May 23, 2003.

analyzed 28 computers that were waiting to be sold from more than a dozen departments. Nineteen computers still had university data on them, and five of these 19 computers contained sensitive information, including student names and identification numbers that contain Social Security numbers; employee names and Social Security numbers; staff home and cell phone numbers; and student applicants' names, addresses, telephone numbers, birth dates, and standardized test scores.²

DISCUSSION

According to the National Recycling Coalition, between 1997 and 2007, nearly 500 million personal computers will become obsolete -- almost two computers for each person in the United States.³ The UW System disposes of hundreds of personal computers each year. For instance, UW-Eau Claire, Green Bay, La Crosse, and Oshkosh each disposes of approximately 400 personal computers and UW-Madison sends about 300 tons of personal computer-related materials to recycling programs annually. UW System institutions generally replace their personal computers in three to four years, the typical useful lifespan of a personal computer.

Certain data the UW System stores on personal computers are subject to both state and federal privacy laws. A variety of personal information is protected, including:

- **Student records:** The federal Family Educational Rights and Privacy Act (FERPA) protects the privacy of student education records. Generally schools may disclose, without consent, personally identifiable information from education records under certain specific circumstances. The schools may also disclose, without consent, "directory information", including a student's name, address, telephone number, date and place of birth, honors and awards, and dates of attendance. However, the schools must inform the students about directory information and allow the students a reasonable amount of time to request that the schools not disclose directory information about them.
- **Financial information:** The federal Gramm-Leach-Bliley Act (GLBA) requires all financial institutions (higher education institutions are considered financial institutions under the Act) to protect the security and confidentiality of personally identifiable financial information.
- **Health information:** The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy Rule protects all individually identifiable health information. Individually identifiable health information includes many common identifiers, such as name, address, birth date, and Social Security number.

<p>A variety of personal information is protected by state and federal laws.</p>

² University of Michigan, Office of Financial Analysis. *Computer Disposal Process*. July 17, 2003.

³ National Recycling Coalition, "How to Properly Manage Your Old Electronic Equipment: A Guide for Consumers and Businesses." April 15, 2004. <<http://www.nrc-recycle.org/resources/electronics/managing.htm>>.

The protection of privacy and confidentiality spans numerous Wisconsin statutes. Even with a generous open records law, Wisconsin laws on privacy and records confidentiality call for appropriate protection and safeguards of confidential information, including computerized information. For example, s. 19.65, Wis. Stats., requires that a state agency having custody of records develop rules of conduct for employees who are involved in collecting, maintaining, using, providing access to, sharing or archiving personally identifiable information. UW System Board of Regents' Policy Document (RPD) 97-2, "Policy on Use of University Information Technology Resources," also calls for UW institutions to take reasonable precautions to protect electronic documents containing private and confidential information.

Failure to securely remove confidential data from used computers may be a violation of privacy laws if the confidential data is retrieved later by people who should not have access to the information. However, removing the data poses financial and technical challenges. This report describes the methods UW System institutions use to remove data from surplus personal computers and provides an overview of how UW institutions dispose of surplus computers.

DATA REMOVAL

Secure deletion of data stored in surplus computers is more complicated than it seems. When the data are saved on the computer's hard drive, the information is written as magnetic pulses on specific spaces on the hard drive. Contrary to public belief, deleting a file using the delete key and reformatting the hard drive does not necessarily remove the information from the hard drive.⁴ Furthermore, surplus computers are not always operable, or even if they are operable, the operating systems may be obsolete and there are few secure-file-removing software programs that would run on obsolete operating systems. We reviewed effective methods for removing data and also identified some less effective methods.

Effective Removal Methods

Data can be securely removed in a number of ways. Some of the most widely suggested methods include wiping, degaussing, and destruction. Our review found that UW institutions have used some of these commonly-used methods for removing data from surplus computers prior to disposal:

- ***Wiping:*** Wiping refers to a process that writes data over the hard drive, such that any data stored on the drive are overwritten by the new data. In order to ensure that the stored data cannot be easily retrieved, the stored data area on the hard drive may have to be overwritten several times. A number of commercial disk-wiping utilities have been developed, including KillDisk, AutoClave, CyberScrub, Best Crypt Wipe, and Eraser. Wiping a hard drive can be time consuming depending on the speed and performance of the computers. UW-Madison, Stout, Superior,

Some UW System institutions use disk wiping utilities to wipe the hard drives of surplus computers.

⁴ Kinney, John. "Securely Deleting Files", December 12, 2000. <<http://www.sans.org/rr/privacy/deleting.php>>.

and UW Colleges dispose of their surplus computers through UW-Madison Surplus With A Purpose (SWAP), and SWAP uses KillDisk to wipe hard drives of surplus computers that are offered for resale and redistribution. UW-Milwaukee's College of Letters and Science uses SuperShredder to wipe hard drives. UW-Extension uses Boot and Nuke, a disk wiping utility, to wipe computer hard drives at the Pyle Center, Learning Innovations, and Wisconsin Public Radio and Wisconsin Public Television. UW-Stevens Point also uses a disk wiping utility software to overwrite hard drives.

- ***Degaussing:*** Degaussing is a process by which the hard drive is subjected to a powerful magnetic field. Data erasing is achieved by returning the hard drive to its neutral state. Degaussers are commonly used for tape media but will also work with most hard drives. Degaussing often destroys the hard drive's timing tracks and renders the drive inoperable. Thus, degaussing is the preferred method if the hard drive will not be used again. The UW-Milwaukee College of Letters and Science, UW-Platteville, and UW-Extension use degaussers to remove data from hard drives that cannot be wiped with disk wiping utility software.
- ***Destruction:*** A hard drive can be made inoperable by physical force, such as drilling holes, hammering, or mutilating. However, physical destruction does not erase the data; it simply makes the drive inoperable in a computer. The most cost-effective and environmentally sensitive method for destroying a hard drive is to use a disintegrator. UW institutions are not generally involved in the actual physical destruction of surplus computers that no longer have resale value; most of the computers without resale value are sent to the Wisconsin Department of Corrections for recycling. UW-Green Bay uses a hammer to make hard drives that were not part of a computer system inoperable.

Removing data that are stored in the surplus computer hard drives is largely the responsibility of campus or department information technology staff.

Less Secure Removal Methods

UW staff with whom we spoke had received no reports of instances in which UW confidential information had been inappropriately disclosed through surplus personal computers. While this is reassuring, our review identified some practices which may not securely remove UW data stored on computer hard drives at the time of disposal:

- ***Reformatting:*** Most operating systems, including Microsoft Windows, store information on the hard drive in two areas – system and data. The system area contains information about where on the hard drive (in which sectors) the data are stored. The data area contains the actual data or files. When a hard drive is reformatted, the operating system normally overwrites the system information but does not overwrite the data area.

Some UW institutions only reformat the hard drive at the time of disposal. Reformatting the hard drive appears to be adequate for surplus computers that are sent to SWAP for disposal, as SWAP uses KillDisk to wipe the hard drives prior to disposal. Reformatting also may be adequate for computers that are used in areas where confidential data storage is not an issue.

However, UW institution disposal procedures are not based on where the surplus computers have been used. Thus, the possibility exists that a computer that was used to store confidential information could be transferred to another university unit, resold, or donated with reformatting being performed only on the hard drive. Since the area on the hard drive where the data are stored is not overwritten during reformatting, the data could potentially be recovered.

Reformatting and ghosting the hard drives do not securely remove the stored data.

- *Ghosting*: Ghosting or disk imaging is the copying of the entire contents of a hard drive, including its configuration settings and applications, to another hard drive. Ghosting has proven to be an efficient method of loading configuration settings, operating systems, and applications to multiple machines. However, literature we reviewed on secure file removal does not include ghosting among the suggested secure data removal methods. Since ghosting occurs by overwriting the tracks on the hard drives, ghosting is most effective only if the host and target hard drives are of the same size. Thus, ghosting could potentially leave some tracks in the surplus computer hard drives untouched. A number of UW System institutions reported using ghosting prior to disposal.
- *Replacement*: Computer hard drives that have become defective but are still under warranty can be returned to the manufacturer for replacement. UW institutions have taken advantage of this service. When a hard drive fails, writing data to the drive or removing data from the drive may no longer be possible. However, the warranty can become void if UW staff attempt to repair the hard drive, unless the UW institution has received authorization from the manufacturers.

When hard drives are returned to the manufacturers, they typically refurbish the returned hard drives and sell them. UW staff we talked to indicated they don't have knowledge of the manufacturers' refurbishing process. We reviewed contract language from the UW System and state contracts for desktop and laptop computers. The state contracts include a provision to hold the UW System harmless from legal actions or claims resulting from the negligent performance by the vendors. However, the contracts do not address disclosure of confidential information resulting from the vendors' or manufacturers' failures to securely remove data from the returned hard drives prior to their being resold.

Recognizing that the returned defective hard drives may contain sensitive information that could be recovered, Dell offers its customers the Keep-Your-Hard-Drive service. The service allows the customers to receive a replacement hard drive but still keep the defective hard drive for proper disposal. The service is available at the time of purchase for a nominal fee. UW-La Crosse has purchased this service. UW-Green Bay is also considering purchasing this service for future personal computer orders.

Secure data removal may require additional labor, software, and hardware costs and can be time consuming. However, the benefits can easily outweigh the financial and other costs associated with having sensitive and confidential information recovered from surplus computers. Thus, ***we recommend that UW System institutions: 1) securely remove data from surplus computers prior to disposal; and 2) consider purchasing a service similar to Dell's Keep-Your-Hard-***

Drive service, if such a service is available. Where such a service is not offered, we recommend that UW System Administration and UW System institutions include a provision in personal computer contracts to shield the UW System from potential liability resulting from inappropriate disclosure of confidential information through the vendors' or manufacturers' failure to securely remove data from hard drives the UW System institutions return for replacement.

COMPUTER SURPLUS PROCEDURES

Disposal of personal computers is regulated primarily by federal and state legislation on hazardous waste, as personal computers contain hazardous materials, including lead, mercury, and cadmium. We interviewed UW institution staff about procedures for disposing of surplus computers and reviewed procedures of other higher education institutions.

The procedures for disposing of surplus personal computers vary among UW institutions. This was expected, as UW institutions have different administrative structures and business practices. In addition to data removal, the institutions' procedures typically involve surplus declaration and disposition. First, UW institution units disposing of personal computers normally complete a surplus declaration form. Then, the surplus computers are picked up, evaluated, tagged, and stored until they are disposed of. At most UW System institutions, surplus computer disposal is a function of the procurement or purchasing office. At UW-Platteville, the College of Engineering is responsible for disposing of its own computers. UW-Madison, Stout, Superior, UW Colleges, and System Administration send most of their surplus computers to SWAP for disposal.

The Wisconsin Department of Administration (DOA) has promulgated rules for declaration and disposal of surplus materials and equipment. Chapter Admin 11, Wis. Admin. Code, specifies seven methods of disposal: 1) transfer or sale to another state agency; 2) transfer or sale to a municipality; 3) sale to the public; 4) trade-in on replacement equipment; 5) sale for salvage value; 6) scrapping; and 7) destruction. The DOA Procurement Manual prohibits donations of surplus property to private individuals, for-profit organizations, or state employees, as well as sale to state employees unless the items are sold at announced public sales or auctions. The methods UW institutions use to dispose of surplus computers appear to be consistent with DOA regulations and policies. UW institutions reported using the following methods of disposal:

UW System institutions use a variety of methods to dispose of surplus computers.

- **Recycling**: Some UW staff we interviewed indicated that anywhere between 75 to 90 percent of their institutions' surplus computer units ultimately end up in recycling, as they no longer meet the institutions' minimum standards or have no resale value at the time of disposal. Recycled computers are sent to UW or state-contracted recycling programs.
- **Reuse**: UW institutions typically have established some minimum standards for the reuse of personal computers. These standards differ among UW institutions. At UW-La Crosse, the personal computer must have at least a Pentium III processor to be reused. UW-River Falls

surpluses personal computers with a processor with a speed of less than 200 megahertz and a hard drive of less than three gigabytes. Computers that meet the minimum standards and are in working condition are reassigned for use elsewhere on campus if there is a need. A number of staff we interviewed indicated that because of their tight budget situations, the institutions keep the computers longer than the normal three to four years. As a result, few surplus computers meet the minimum standards for reuse when they are declared surplus.

- Sale: All UW institutions participate directly and indirectly in the sale of surplus computers. Most institutions sell the surplus computers directly to the public, while a few sell them through SWAP. The volume of surplus computers sold varies depending on how long the computers are kept and how much time and how many resources institutions devote to the sale.
- Donation: Some UW institutions donate their surplus computers directly to schools and other non-profit organizations. Some surplus computers that are not sold or donated are sent to the Wisconsin Department of Corrections for recycling. The Department of Corrections also donates these surplus computers to schools and non-profit organizations.

Institutional staff with whom we spoke indicated staff at their institutions are well aware of the risks associated with surplus computers. All UW System institutions reported having procedures for surplus computer disposal, although only UW-La Crosse, Madison, Milwaukee, Stevens Point, Stout, and Extension have adopted written policies or procedures. A review of these policies and procedures indicates that UW-La Crosse, Madison, Milwaukee, and Extension require the hard drive to be scrubbed or the data to be securely removed. (See Appendix 1 for UW-Extension's policy.) To reduce the possibility of the disposal of surplus computers before data are securely removed, ***we recommend that UW System institutions develop formal policies and procedures for disposing of surplus personal computers that include secure data removal methods.***

Some UW System institutions have developed formal policies and procedures for surplus computer disposal.

Our research shows that some other higher educational institutions have adopted formal computer disposal policies or procedures. The institutions whose policies or procedures we reviewed include Indiana University, the University of Michigan, the University of Minnesota, New York University, University of California-Berkeley, and the University of Washington. The Michigan, Minnesota and Washington policies and procedures require data to be securely removed from hard drives. The Washington procedure also requires a signed form certifying that data files have been destroyed. (See Appendix 2.)

The UW System does not currently have systemwide policies or procedures on surplus computer disposal. The UW System is not unique, as none of the university systems whose policies we examined have systemwide policies that address this. Some university systems have surplus-property policies, but they are not specific to surplus computers and do not address data removal. Nevertheless, the UW System could only benefit from increased systemwide awareness of the need for secure data disposal. One means of enhancing awareness would be to amend RPD 97-2,

on information technology resources, to address the secure destruction of private and confidential records prior to computer disposal.

CONCLUSION AND RECOMMENDATIONS

Our review found that all UW System institutions have procedures for disposing of surplus computers, and some have developed formal, written procedures. UW System institutions have also used some methods that are commonly accepted to remove data from the hard drives of surplus computers.

However, the current procedures and practices leave open the possibility of some surplus computers being disposed of without having the data securely removed from the hard drives prior to disposal. Thus, we have recommended that:

- UW System institutions develop formal policies and procedures for disposing of surplus computers, incorporating secure data removal methods in their policies and procedures;
- UW System institutions consider purchasing “Keep-Your-Hard-Drive” services if such services are available; and
- UW System Administration and UW System institutions include a provision in personal computer contracts to shield the UW System from potential liability resulting from inappropriate disclosure of confidential information though the computer vendors’ or manufacturers’ failure to securely remove data from hard drives that UW System institutions return for replacement.

Appendix 1

UW-EXTENSION INFORMATION TECHNOLOGY EQUIPMENT DISPOSAL POLICY

The purpose of this policy is to ensure appropriate destruction of proprietary, sensitive, or personal information when UW-Extension disposes of, or sends to surplus, information technology equipment.

When information technology equipment is sent to surplus or is disposed of, all data must be removed from the media in such a way that it is beyond the reach of all ordinary and most laboratory recovery methods. Simply erasing the data or reformatting the media is not acceptable because it does not prevent data from being recovered by technical means. Information technology departments throughout UW-Extension can assist users in data sanitization.

Three methods are acceptable for secure data sanitization:

1. Degaussing

Degaussing magnetically erases data from magnetic media and hard drives. Before attempting any degaussing process, please consult an information technology professional. Degaussing may damage information technology electronics, making them unusable.

2. Overwriting

The disk may be completely overwritten with data so that the old data cannot be recovered. The number of times data must be overwritten depends upon the sensitivity of the data. The U.S. Department of Defense has defined a clearing and sanitizing standard (DoD 5220.22-M) that is used to meet their requirements. There are a number of free and commercial products that can be used to sanitize the disks, including those that meet DoD standards.

3. Physical Destruction

As a last resort, information technology equipment can be "totally destroyed". For UW-Extension information technology equipment, the degaussing or overwriting processes are likely sufficient, but when the level of data sensitivity calls for it, total destruction of the equipment can be undertaken if there is no longer any use for the equipment or if the equipment no longer has any value. The National Industrial Security Program Operating Manual used by national security agencies defines "destroy" as "to disintegrate, incinerate, pulverize, shred or melt the equipment."

Appendix 2

UNIVERSITY OF WASHINGTON

NOTICE OF COMPUTER EQUIPMENT ELECTRONIC STORAGE DEVICE CLEANING PROPERTY AND TRANSPORT SERVICES, SURPLUS PROPERTY

To ensure compliance with federal and state statutes associated with confidential information, such as the Health Information Portability and Accountability Act of 1996 (HIPAA) and the Family Educational Rights and Privacy Act (FERPA), the University of Washington requires the destruction of all data in computers or electronic storage devices* prior to surplusing. All software and data files **MUST** be electronically purged according to the methods approved by Computing and Communications (see reverse).

Computer* hardware sent to Surplus Property is sold to non-profit organizations and the general public. Any software and data files left on a hard drive, main frame, server, and/or electronic storage device could potentially be retrieved. This oversight can lead to conflicts with software license agreements and/or result in unauthorized access to University documents.

Files that are not past their retention period (see www.washington.edu/admin/recmgt) must be migrated to current systems or another suitable storage format.

After all software and data files have been **PURGED, COMPLETE, SIGN, and AFFIX** the form to the unit being surplused.

If the computer* is **not** working, UW Departments can elect to have Surplus Property purge the computer* and charge the departments' budget \$25.00 per computer*. If the computer* is **not** working, check the appropriate box on the form which indicates you have elected to have Surplus Property purge the computer*; please **COMPLETE, SIGN, and AFFIX** the form to the unit.

NOTE: One form must be completed for EACH computer*

Surplus Property staff must audit all working computers to verify if software and data files have been removed. **If any computer* surplused is found to contain data, the surplusing department will be charged for the audit and special handling costs which equal \$100.00 per unit**.** In addition, if any computer surplused is found to contain patient health information as defined by UWMC Patient Data Services, the name of the signer on the form will be forwarded to the appropriate Human Resources office as required under HIPAA.

***Computer or electronic storage device including but not limited to hard drive, laptop, server, main frame, or handheld computer, e.g. Palm or Visor**

****If additional labor time and/or expertise from C&C is required to properly prepare equipment for sale or disposal, additional costs will be charged to the surplusing department above the base fee of \$100.00.**

RESOURCES

Departments without local computing support needing to purge information on computer equipment may contact C&C's Computer Maintenance Group (CMG).

CMG offers fee-based assistance and may be reached at:

Phone#: 206/543-7865

Email: cmg@cac.washington.edu

UWMC/HMC staff: for more information on electronically purging computer equipment contact Medical Center Information Services (MCIS) at mcsos@u.washington.edu

METHODS FOR DESTROYING DATA FROM COMPUTER EQUIPMENT

Prior to surplusing, computers* must have all software and data files destroyed. Any electronic destruction method must include at least a three pass binary overwrite method.

I have electronically purged software and data files from this computer*, detailed below, by utilizing one of the following approved methods:

- ☐ eAutoclave (<http://www.washington.edu/computing/software/otherresources/autoclave/>)
- ☐ Norton utilities (<http://www.symantec.com>)
- ☐ PGP (<http://web.mit.edu/network/pgp.html>)
- ☐ Burn for Mac (<http://www.thenextwave.com/burnHP.html>)
- ☐ TechTool Pro for Mac (<http://www.micromat.com>)
- ☐ I have not used one of the approved methods listed above, but did use the following method that includes at least a three-pass binary overwrite (specify in detail):

- ☐ The equipment listed below is not in working condition and I request Surplus Property to purge the computer* and charge my budget \$25.00 per computer*. **NOTE: Destroying the hard drive is no longer an approved option, effective February 2003. (RCW prohibits the destruction of state property.)**

SIGNATURE

Name (please print): _____

Signature: _____ Date: _____

Department: _____ Phone: _____

COMPUTING & COMMUNICATIONS SECTION

This section is to be completed by C&C if the department was involved in the data destruction process. C&C provided the following support services and made the following determination:

Name (please print): _____

C&C Signature: _____ Date: _____

EQUIPMENT

Description of Computer*: _____

UW Inventory Number: _____ Serial Number: _____

***Computer or electronic storage device including but not limited to hard drive, laptop, server, main frame, or handheld computer, e.g. Palm or Visor**

If you have any questions, please contact Surplus Property at 206/685-1573 or via email at: surplus2@u.washington.edu

February 11, 2005

I.2.d.(1)

Utilities Report to Joint Committee on Finance



Vice President for Finance

1752 Van Hise Hall
1220 Linden Drive
Madison, WI 53706-1559
(608) 262-1311
(608) 262-3985 Fax
email: ddurcan@uwsa.edu
website: <http://www.uwsa.edu>

January 31, 2005

Senator Scott Fitzgerald
Representative Dean Kaufert
Co-chairs, Joint Committee on Finance

Marc Marotta, Secretary
Department of Administration

Dear Senator Fitzgerald, Representative Kaufert, Secretary Marotta:

In June 2004 the Joint Committee on Finance transferred \$10.7 million of the UW System's biennial appropriation for utilities from fiscal year 2004-2005 to fiscal year 2003-2004. While this action was necessary to alleviate the 2003-2004 budget shortfall in this appropriation, the Committee realized that this action would further reduce the already insufficient amount provided for utility costs in 2004-2005. Accordingly, the Committee directed the UW System to submit information by January, 2005, relating to the estimated energy costs funding shortfall for 2004-2005, as well as funding alternatives to address the shortfall. This letter is submitted pursuant to that directive.

At the present time, we estimate the 2004-2005 shortfall in appropriation 20.285(1)(c) to be approximately \$30.3 million of which the GPR share is \$23 million and the fee share is \$7.3 million. This will be the sixth consecutive year that the UW System has been under-funded in its utility budget. Background on the history of this issue and how the budget shortfalls in each of the past five years have been resolved is provided in Attachment A. Attachments B and C detail actions taken by the UW System to conserve energy and mitigate the effects of increasing energy costs. The UW System has reduced energy consumption by 3.4% per square foot since 1973 and, since 1992, has invested over \$60 million in energy saving initiatives at 22 campuses.

Current Year Projection

The projected shortfall for 2004-2005 may be seen as attributable to the following seven factors:

Factor 1: Structural deficit	6,397,500
Factor 2: Appropriation reduction in 2004-2005	1,238,800
Factor 3: Transfer of budget from 2004-2005 to 2003-2004	10,699,800
Factor 4: Co-generation facility operating cost	466,900
Factor 5: Co-generation facility debt service	1,987,200
Factor 6: Increase in WEI-3 payments	490,200
Factor 7: Estimated increase in energy costs for 2004-2005	9,042,500
Total estimated shortfall	30,322,900

The explanation for each of these factors is as follows:

- Factor 1 - The total shortfall in 2003-2004 was \$12,673,357. Of this amount, \$6,275,828 was attributable to expenditures brought forward from the preceding fiscal year. The remaining \$6,397,529 represented the amount by which expenditures attributable to 2003-2004 exceeded 2003-2004 budget authority.
- Factor 2 – The 2003-2005 biennial budget bill provided an amount for the second year of the biennium that is \$1,238,800 less than for the first year of the biennium.
- Factor 3 – To resolve the budget shortfall in 2003-2004, the Joint Committee on Finance transferred \$10,699,800 in budget authority from 2004-2005 to 2003-2004.
- Factor 4 – No operating costs for the new co-generation facility on the UW-Madison campus were budgeted for 2004-2005. This project was approved in the 2003-2005 biennial budget. It must be fully operational by August, 2005 but testing will start much sooner.
- Factor 5 – No debt service costs for the new co-generation facility were budgeted for 2004-2005. The amount shown is net of the debt service costs being paid by program revenue operations.
- Factor 6 – Payments for the mechanical improvements made under the Wisconsin Energy Initiative program will increase in 2004-2005 by \$490,200 over the amount paid in 2003-2004.
- Factor 7 – Overall energy costs are expected to rise by 14.8% for the year led by partial year increases of 57% in the cost of coal, 38% in the cost of natural gas and 16% in the cost of electricity.

Total net projected expenditures compare to the amount available as follows:

Chapter 20 budget	\$ 46,221,400
Projected final net expenditures	\$(79,149,400)
Less: Fee share of 2001-2003 budget increase	2,605,100
Projected net GPR/fee shortfall	\$ (30,322,900)
Allocation of shortfall:	
Academic student fees	7,329,000
GPR	22,993,900


The GPR/Fee split for the utility budget is based upon the student related portion of the University's Physical Plant budget for a given biennium. The student related portion of the Physical Plant budget is split between GPR and fees based upon the GPR/Fee split of the entire student related budget. For the 2003-2005 biennium the GPR/split for utilities is 75.83% GPR and the fee share is 24.17% fees. Note that the expenditure total shown is already net of utility charges assessed to auxiliary operations. Auxiliary operations fully fund their own utilities and thus none of the energy costs under discussion are allocable to those operations.

Funding alternatives

The UW System is prepared to fund the fee share of the projected shortfall but is unable to identify or recommend to the Joint Committee on Finance potential sources for the GPR share. The Committee may have the ability to direct that expenditures in the amount of the shortfall be transferred to 2005-2006 and to provide the necessary funding as it develops the 2005-2007 biennial budget. The Legislative Audit Bureau (LAB) informally expressed its concern to the Legislative Fiscal Bureau after the Committee took similar action in 2000-2001 and took public exception when the Department of Administration (DOA) and the UW System transferred some 2002-2003 expenditures to 2003-2004 without the prior concurrence of the Joint Committee on Finance. Nevertheless, while it is clearly a short-term fix and a less than ideal solution, the Joint Finance Committee may have the legal prerogative to direct that expenditures be transferred to a subsequent budget year. In accordance with generally accepted accounting principles ("GAAP"), these expenditures would need to be reported in 2004-2005 in the state's GAAP-basis Comprehensive Annual Financial Report even if charged to 2005-2006 in the state's budget based accounting records per the Committee's directive. However, an opinion of the attorney general long ago established that the legislature need only to report GAAP basis, not to budget and account on a GAAP basis.

Thank you for your consideration of this report. If you have any questions regarding this, please contact Doug Hendrix at 262-1803.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah A. Durcan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Deborah A. Durcan
Vice President for Finance

cc: President Reilly
Regents
Chancellors
Chief Business Officers
Freda Harris
David Miller
Lynn Paulson
Renee Stephenson

Bob Lang, Legislative Fiscal Bureau
John Stott, Legislative Fiscal Bureau
Bob Hanle, Department of Administration
R.J. Bineau, Department of Administration
Dan Caucutt, Department of Administration
Julie Gordon, Legislative Audit Bureau
Doug Hendrix
Jeff Arnold

Background: Budget Shortfalls in Each of the Past Five Years

The University of Wisconsin System has experienced a shortfall in its utility budget for each of the past five fiscal years. In the 1999-2001 biennium the UW System's request for an increase to its utility budget was denied and, therefore, the budget for each year of the biennium was established at the same level as the budget for 1998-99. The UW System experienced a shortfall of \$1.1 million in the first year of that biennium and a shortfall of \$11.2 million in the second. By decision of the Joint Committee on Finance these shortfalls were covered as follows:

1999-2000	Total shortfall	1,111,696
	UW unspent GPR fringe benefit budget	(842,999)
	UW academic student fees	(268,697)
2000-2001	Total shortfall	11,216,633
	JFC transfer from other state funds	(6,000,000)
	Transfer expenses to 2001-2002	(2,505,573)
	UW academic student fees	(2,711,060)

Note: The costs of utilities for academic facilities are jointly borne by GPR and by academic student fees with the fee share established at 24.17%. The percentage of the shortfall charged to academic student fees in these two years was consistent with this funding split.

For 2001-2003, the Governor recommended an increase of \$11.8 million for the first year of the biennium reduced by \$2 million for the second year of the biennium; the budget as approved provided for a lesser increase of \$9,498,000 in the first year of the biennium reduced by \$1,682,700 for the second year of the biennium.

In 2001-2002 the UW System experienced a shortfall of \$3.1 million. By prior agreement with the Department of Administration, the UW System did not seek supplemental funding from the Joint Committee on Finance under s. 13.10 to cover any portion of this shortfall, which was covered entirely with academic student fees.

In 2002-2003 the UW System experienced a shortfall of \$8.3 million. A 13.10 request was submitted to the Joint Finance Committee in a letter dated April 3, 2003 but, upon consultation with the Department of Administration, was withdrawn in a letter dated April 21, 2003 in recognition of the non-availability of funds at the JFC's disposal. The fee share of the shortfall, \$2.0 million was covered with academic student fees in 2002-2003; the GPR share of the shortfall, \$6.3 million, was, with the approval of the Department of Administration, transferred to 2003-2004. The Legislative Audit Bureau subsequently criticized this transfer of expenditures in a letter to the Joint Audit Committee dated March 31, 2004.

The experience of 2001-2002 and of 2002-2003 described above is summarized as follows:

2001-2002	Total shortfall	3,090,170
	UW academic student fees	(3,090,170)
2002-2003	Total shortfall	8,276,181
	Transfer expenses to 2003-2004	(6,275,828)
	UW academic student fees	(2,000,353)

The amount of the shortfall in 2002-2003 would have been more by approximately \$1 million had the Department of Administration not also agreed to defer its final billing for coal and heating fuel.

The 2003-2005 biennial budget provided for an increase \$8,077,700 of in the first year of the biennium reduced by \$1,238,800 in the second year of the biennium. Despite this increase, in 2003-2004 the UW System experienced a shortfall of \$12,673,357. Of this amount, \$6,275,828 could be viewed as attributable to expenditures brought forward from the preceding fiscal year while the remaining \$6,397,529 represented the amount by which expenditures attributable to 2003-2004 exceeded 2002-2004 budget authority. The GPR share of the shortfall was covered by the action of the Joint Committee on Finance to transfer budget authority from 2004-2005 to 2003-2004. The fee share of the shortfall was covered by UW System academic student fees.

2003-2004	Total shortfall	12,673,357
	Transfer expenses to 2003-2004	(10,699,800)
	UW academic student fees	(1,973,557)

Note: At the time of the JFC action, the GPR / fee split was based upon 100% GPR coverage of the GPR shortfall carried forward from 2002-2003 (\$6,275,828) and applying the 75.83% / 24.17% split to the remainder the estimated shortfall (i.e., to the portion of the shortfall that originated in the 2003-2004). However, because the actual shortfall was more than that estimated at the time of the JFC action, academic student fees actually paid a 31% of the shortfall attributable to 2003-2004 and GPR paid 69%.

Background: Energy Conservation in the UW System

Since 1973 the UW System has reduced energy use per square foot by 3.4%. As described below, both technological and behavioral approaches are used to reduce energy consumption.

Technical Solutions

Technical efforts to reduce energy consumption include designing new buildings for greater energy efficiency and installing more modern technology in existing buildings and energy delivery systems. Part of the technical effort to reduce energy consumption also includes performing routine maintenance to ensure that even older, less energy efficient systems operate to maximum efficiency.

Building design: For new construction and remodeling projects current state building code and DOA Division of Facilities standards require a higher level of energy efficiency than would have been the case in the past. In addition to these requirements, for UW projects designs typically incorporate exterior envelopes that are more thermally efficient than the code minimums, and heating, air-conditioning and ventilation systems that can be operated with optimum efficiency. Natural daylighting is used where appropriate, and artificial lighting is selected for low energy consumption. In science buildings and other facilities that exhaust high quantities of air, heat recovery systems are incorporated to capture energy that would otherwise be lost. Careful consideration is also given to providing building systems that can readily be maintained at peak performance.

Modernizing technology: Most of the energy conservation technology projects over the past 12 years have been undertaken as part of the Wisconsin Energy Initiative program that is overseen by DOA's Division of State Facilities. Since 1992 the UW System has invested \$60.2 million in 39 Wisconsin Energy Initiative projects on 22 campuses. According to the Division of State Facilities, these projects save an estimated 655,000 MMBtu annually, resulting in annual savings of \$6 million. However, it should be noted that these projects were financed through the state's master lease program and, because the master lease payments are \$4.4 million annually, the full savings will not accrue until the debt is retired.

UW-Madison accounts for approximately 60% of the UW System's utility budget. Attachment C summarizes UW-Madison's WEI accomplishments and describes a series of additional energy conservation initiatives proposed by UW-Madison to the Director of DOA's Division of State Facilities (DSF) in September, 2004. As noted, some of these projects are being undertaken with campus resources but some would require an

investment by the state. Additional energy conservation programs have also been proposed to DSF by UW-Eau Claire, UW-Oshkosh and UW-Colleges but, to date, no funding source has been identified to permit initiation of these projects.

Behavioral Solutions

The UW System institutions operate in accordance with the energy use policy established for all state owned facilities by DOA's Division of State Facilities (<http://www.doa.state.wi.us/dsf/index.asp>). Primarily this energy policy addresses the behavioral aspects of energy conservation such as thermostat settings, use of lighting, and powering off office equipment when not in use. Among the more notable provisions are:

- Thermostats: adjust to 76 degrees minimum in the summer and 68 degrees maximum in the winter.
- Ventilation and Air Conditioning: Shut down equipment during unoccupied hours. Use building automation systems or time clocks to automate operations.
- Lighting: Turn off lights when space is not in use or natural daylighting is adequate. Use task lighting to reduce overall illumination levels.
- Office Equipment: Turn off personal computers, printers, copy machines and other office equipment when not in use and during unoccupied hours.

Energy Conservation Initiatives & Proposals

For the Fiscal Years 2004 & 2005

UW-Madison

September 17, 2004

UW-Madison is pleased to re-confirm its commitment to pursue aggressive measures to enhance its energy conservation programs and environmental protection initiatives.

We believe that energy conservation is the right thing to do! Saving money, concerns for the environment, and energy security are some of the right reasons to do it.

Accomplishments to date:

In the recent years, UW-Madison Physical Plant Department has been intensely involved in the implementation of the Wisconsin Energy Initiative (WEI) and is pleased to report the following accomplishments:

Wisconsin Energy Initiative (WEI) was established in 1992 by the Department of Administration (DOA) to increase energy efficiency of the state owned facilities and to provide other economic and environmental benefits to the taxpayers.

The first phase of this initiative at UW-Madison was mainly aimed at lighting retrofits for the buildings. By mid-1990's over 90% of the University's lighting was converted to energy efficient units utilizing electronic ballasts and T8 lamps.

During the last three years, under a Performance Contracting model of the program (WEI-3), several power plant capacity optimization and equipment efficiency improvement projects have been implemented. In addition, over 12 million square feet of building space has been audited for energy conservation opportunities with a simple payback of 10 years or less (15 years including interest payments).

Major areas of concentration for these projects are:

- Replace over 1000 motors with premium efficiency motors. *(63% complete)*
- Install over 8500 occupancy sensors. *(95% complete)*
- Retrofit over 7100 lights to high efficiency units. *(91% complete)*
- Change over 5000 exist lights from fluorescent to LED fixtures. *(87% complete)*.
- Replace/Repair over 2700 steam traps. *(47% complete)*
- Install digital controls & energy monitoring equipment on 290 air handling units and pumps. *(64% complete)*
- Replace over 2000 toilets with 1.6 gallon per flush ultra low flow toilets. *(99% complete)*
- Fabricate and install over 8000 storm windows. *(50% complete)*

The total value of UW-Madison's contracts with Johnson Controls Corporation (JCI) for the above projects is approximately \$29.5 million. These projects are amortized over 15 years with stipulation that the saving from these energy conservation measures will offset the annual payments to JCI.

Goals for the FY 04-05 & FY 05-06:

The following initiatives are intended to enhance the University's energy conservation and environment protection programs and practices. Although it is difficult to quantitatively measure the impact of these initiatives at this point, we believe the results will be both realistic and impressive.

Some of these initiatives will be funded using the Physical Plant's internal budget and one-time funds from the University Administration and user departments. However, the implementation of the remaining projects will require funding from the Division of State Facilities and/or other sources.

1) Establish and staff a formal Direct Digital Controls (DDC) Operations Center

- Enhance HVAC scheduling and monitoring
- Implement aggressive energy peak shaving programs
- Improve alarm monitoring, routing, and management
- Coordinate the various building automation systems (DDC, Fire alarm, Access, Security)
- Work with building managers and occupants to maximize efficient use of the facility
- Coordinate building maintenance activities and maximize safety measures for the workers
- Monitor the utilities production and distribution points and alarms
- Optimize usage of the Metasys system

(Funding Source: UW-Madison Physical Plant Department)

2) Commission a pilot study to determine the true energy requirement profile for a select number of new or recently reconditioned buildings

- Study the current building systems and building usage to model the minimum amount of energy required to operate the buildings for their intended use (calculated baseline)
- Install meters to measure the current usage of energy for those buildings (current usage)
- Identify gaps between calculated baseline and current usage; implement solutions to reduce the gap
- Identify projects and opportunities to reduce the calculated baseline to further improve the building energy efficiency

(Funding source: UW-Madison Physical Plant Department)

3) Implement the FOCUS (Fuss Over the Condition of Upgraded Systems) program in a few select new or recently reconditioned buildings

- Apply higher pro-active maintenance standards to building systems
- Increase building occupants involvement in building operation and care

- Ensure that the building systems remain in optimized and predictable condition at all times.

(Funding source: UW-Madison Physical Plant Department)

4) Replace/refurbish the University's 2100 fume hoods

- Evaluate the fume hood needs of each building and eliminate unnecessary units
- Recondition/replace fume hoods to ensure user safety
- Replace fume hoods with low-flow fume hood units when appropriate
- Reduce air flow and operate fume hoods at 18" sash opening when appropriate
- Enhance safety inspection and preventive maintenance programs for the fume hoods

(Funding source: UW-Madison Physical Plant, UW-Madison Administration, DSF)

5) Seek more aggressive funding for the CURB and CARE programs

- Identify additional funding sources to increase the activities of the CURB and CARE programs to repair and upgrade the existing buildings with high deferred maintenance to a desired level of utility, efficiency and aesthetics, while maximizing energy conservation, occupant safety and comfort level.

(Funding source: UW-Madison Physical Plant Department and DSF)

6) Maximize usage of the Central Chilled Water and decommission inefficient stand-alone units

- Propose projects to connect buildings with local chillers to the central chilled water system, when appropriate
- Connect water cooled condensers to central chilled water system, when appropriate
- Refurbish building chilled water isolation valves for proper operation
- Improve monitoring of the chilled water system distribution utilizing Metasys

(Funding source: UW-Madison Physical Plant Department, DSF)

7) Improve monitoring of the plant's power generation operations

- Install DDC controls for monitoring equipment in the Charter Street Power Plant
- Install DDC controls to better monitor the steam driven generator at CSC

(Funding source: UW-Madison Physical Plant Department, DSF)

UNIVERSITY OF WISCONSIN SYSTEM
 GIFTS, GRANTS AND CONTRACTS AWARDED
 QUARTERLY REPORT & PRIOR-YEAR COMPARISON
 FISCAL YEAR 2004-2005 - Second Quarter

FISCAL YEAR 2004-2005	Extension	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
Total	47,598,106	39,961,939	620,312	47,334,729	17,163,662	434,667,120	73,064,852	660,410,720
Federal	24,179,191	31,284,138	417,003	11,746,411	3,717,260	326,256,283	60,426,190	458,026,476
Nonfederal	23,418,915	8,677,801	203,309	35,588,318	13,446,402	108,410,837	12,638,662	202,384,244
FISCAL YEAR 2003-2004								
Total	32,355,473	51,055,204	1,854,102	56,788,011	20,515,665	406,103,612	67,987,422	636,659,489
Federal	16,872,263	39,476,352	300,344	11,007,177	7,032,400	297,937,196	58,879,853	431,505,585
Nonfederal	15,483,210	11,578,852	1,553,758	45,780,834	13,483,265	108,166,416	9,107,568	205,153,904
INCREASE(DECREASE)								
Total	15,242,633	(11,093,266)	(1,233,790)	(9,453,282)	(3,352,003)	28,563,508	5,077,431	23,751,231
Federal	7,306,928	(8,192,214)	116,659	739,234	(3,315,140)	28,319,087	1,546,337	26,520,891
Nonfederal	7,935,705	(2,901,051)	(1,350,449)	(10,192,516)	(36,863)	244,420	3,531,094	(2,769,660)

UNIVERSITY OF WISCONSIN SYSTEM
 GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
 QUARTERLY REPORT & PRIOR-YEAR COMPARISON
 FISCAL YEAR 2004-2005 - Second Quarter

	Extension	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
FISCAL YEAR 2004-2005								
Madison	12,375,332	22,684,275	591,762	35,102,215	17,151,978	413,205,592	24,152,915	525,264,069
Milwaukee	3,289,014	5,713,501	21,500	2,488,426	0	14,637,808	7,394,651	33,544,901
Eau Claire	149,229	1,237,082	0	0	0	749,752	4,618,332	6,754,395
Green Bay	6,589	2,355,138	0	270,439	0	707,925	2,281,156	5,621,248
La Crosse	299,893	0	0	465,580	0	3,040,642	4,933,027	8,739,142
Oshkosh	2,443,892	4,918,006	0	0	0	833,514	4,056,631	12,252,043
Parkside	254,422	607,437	0	101,876	0	261,338	3,886,514	5,111,587
Platteville	587,318	(1,371)	5,000	378,939	0	216,785	2,881,608	4,068,279
River Falls	487,367	53,049	0	1,529,304	0	21,132	2,610,695	4,701,547
Stevens Point	6,040,408	830,325	0	349,589	0	534,700	2,351,280	10,106,302
Stout	2,383,191	137,960	0	1,650,257	8,830	272,624	4,096,545	8,549,407
Superior	60,365	10,000	0	691,329	0	147,713	1,580,996	2,490,403
Whitewater	244,783	99,942	0	2,889,402	2,854	36,253	4,063,664	7,336,899
Colleges	14,393	13,949	2,050	633,327	0	1,341	4,156,838	4,821,898
Extension	18,961,910	0	0	0	0	0	0	18,961,910
System-Wide	0	1,302,646	0	784,045	0	0	0	2,086,691
Totals	47,598,106	39,961,939	620,312	47,334,729	17,163,662	434,667,120	73,064,852	660,410,720
Madison	7,429,180	15,322,412	417,003	4,261,506	3,717,260	309,202,556	12,573,382	352,923,299
Milwaukee	1,694,698	5,491,862	0	278,415	0	12,458,815	7,224,232	27,148,022
Eau Claire	8,705	1,195,943	0	0	0	640,790	4,618,332	6,463,770
Green Bay	0	2,330,858	0	0	0	675,820	2,242,089	5,248,767
La Crosse	183,211	0	0	54,386	0	1,759,506	4,933,027	6,930,130
Oshkosh	1,935,219	4,804,706	0	0	0	592,059	4,056,631	11,388,615
Parkside	300,172	471,141	0	0	0	250,403	3,865,499	4,887,215
Platteville	497,777	0	0	303,366	0	56,822	2,881,608	3,739,573
River Falls	474,471	0	0	1,053,140	0	0	2,598,695	4,126,306
Stevens Point	4,468,695	225,164	0	263,868	0	237,729	2,351,280	7,546,736
Stout	2,226,531	59,406	0	1,298,202	0	261,000	3,886,267	7,731,406
Superior	60,365	0	0	691,329	0	120,783	1,580,996	2,453,473
Whitewater	236,513	80,000	0	2,568,699	0	0	3,715,443	6,600,655
Colleges	5,193	0	0	253,794	0	0	3,898,709	4,157,696
Extension	4,658,460	0	0	0	0	0	0	4,658,460
System-Wide	0	1,302,646	0	719,706	0	0	0	2,022,352
Federal Totals	24,179,191	31,284,138	417,003	11,746,411	3,717,260	326,256,283	60,426,190	458,026,476
Madison	4,946,152	7,361,863	174,759	30,840,709	13,434,718	104,003,036	11,579,533	172,340,770
Milwaukee	1,594,316	221,639	21,500	2,210,011	0	2,178,993	170,419	6,396,879
Eau Claire	140,524	41,139	0	0	0	108,962	0	290,625
Green Bay	6,589	24,280	0	270,439	0	32,105	39,067	372,481
La Crosse	116,682	0	0	411,194	0	1,281,136	0	1,809,012
Oshkosh	508,673	113,300	0	0	0	241,455	0	863,428
Parkside	(45,750)	136,296	0	101,876	0	10,935	21,015	224,372
Platteville	89,541	(1,371)	5,000	75,573	0	159,963	0	328,706
River Falls	12,896	53,049	0	476,164	0	21,132	12,000	575,241
Stevens Point	1,571,713	605,161	0	85,721	0	296,971	0	2,559,566
Stout	156,660	78,554	0	352,055	8,830	11,624	210,278	818,001
Superior	0	10,000	0	0	0	26,930	0	36,930
Whitewater	8,270	19,942	0	320,703	2,854	36,253	348,221	736,243
Colleges	9,200	13,949	2,050	379,533	0	1,341	258,129	664,202
Extension	14,303,450	0	0	0	0	0	0	14,303,450
System-Wide	0	0	0	64,339	0	0	0	64,339
Nonfederal Totals	23,418,915	8,677,801	203,309	35,588,318	13,446,402	108,410,837	12,638,662	202,384,244

UNIVERSITY OF WISCONSIN SYSTEM
 GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
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 FISCAL YEAR 2004-2005 - Second Quarter

	Extension	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
FISCAL YEAR 2003-2004								
Madison	6,923,356	26,606,007	1,825,145	44,493,738	20,427,860	383,833,397	18,597,325	502,706,828
Milwaukee	1,054,769	9,279,016	19,400	1,772,128	0	13,899,045	8,639,501	34,663,858
Eau Claire	388,935	1,526,053	0	0	0	1,001,039	4,670,917	7,586,944
Green Bay	0	2,661,868	4,200	277,465	55,000	2,354,801	117,620	5,470,955
La Crosse	584,412	559,174	5,357	1,139,501	0	1,792,270	4,915,931	8,996,645
Oshkosh	1,401,523	5,792,829	0	0	0	1,193,323	3,790,278	12,177,953
Parkside	465,757	1,368,715	0	88,788	0	207,968	3,900,449	6,031,677
Platteville	72,600	112,931	0	208,584	0	12,138	2,868,996	3,275,249
River Falls	318,117	152,887	0	1,106,334	0	161,060	2,540,590	4,278,988
Stevens Point	4,682,438	340,199	0	810,718	0	838,523	5,153,761	11,825,639
Stout	1,936,975	110,581	0	983,521	32,400	93,015	3,356,746	6,513,237
Superior	6,618	0	0	725,241	0	433,173	361,000	1,526,032
Whitewater	0	65,982	0	3,225,011	405	134,488	3,800,284	7,226,170
Colleges	4,043	617,481	0	112,288	0	99,373	5,274,024	6,107,209
Extension	14,515,930	0	0	815,005	0	0	0	15,330,935
System-Wide	0	1,861,481	0	1,029,689	0	50,000	0	2,941,170
Totals	32,355,473	51,055,204	1,854,102	56,788,011	20,515,665	406,103,612	67,987,422	636,659,489
Madison	5,365,134	16,143,630	195,000	4,095,935	7,000,000	279,256,747	12,049,820	324,106,266
Milwaukee	192,439	8,835,403	0	299,789	0	11,891,682	8,501,106	29,720,419
Eau Claire	380,252	1,485,489	0	0	0	913,488	4,670,917	7,450,146
Green Bay	0	2,592,793	0	0	0	2,317,368	5,585	4,915,746
La Crosse	312,211	557,034	5,357	823,119	0	1,359,894	4,914,531	7,972,146
Oshkosh	1,337,778	5,764,729	0	0	0	735,823	3,790,278	11,628,608
Parkside	383,831	1,288,005	0	0	0	207,303	3,763,725	5,642,864
Platteville	296,706	0	99,987	0	0	0	2,637,725	3,034,418
River Falls	290,341	99,117	0	673,821	0	138,560	2,496,720	3,698,559
Stevens Point	3,505,445	209,509	0	760,618	0	405,643	5,153,761	10,034,976
Stout	1,793,223	28,031	0	854,345	32,400	63,627	3,356,746	6,128,372
Superior	0	0	0	725,241	0	387,603	361,000	1,473,844
Whitewater	0	0	0	2,685,925	0	110,085	3,499,748	6,295,758
Colleges	0	611,131	0	8,111	0	99,373	3,678,191	4,396,806
Extension	3,014,903	0	0	0	0	0	0	3,014,903
System-Wide	0	1,861,481	0	80,273	0	50,000	0	1,991,754
Federal Totals	16,872,263	39,476,352	300,344	11,007,177	7,032,400	297,937,196	58,879,853	431,505,585
Madison	1,558,222	10,462,377	1,630,145	40,397,803	13,427,860	104,576,650	6,547,505	178,600,562
Milwaukee	862,331	443,613	19,400	1,472,339	0	2,007,362	138,395	4,943,439
Eau Claire	8,683	40,564	0	0	0	87,551	0	136,798
Green Bay	0	69,075	4,200	277,465	55,000	37,433	112,035	555,208
La Crosse	272,201	2,140	0	316,382	0	432,376	1,400	1,024,499
Oshkosh	63,745	28,100	0	0	0	457,500	0	549,345
Parkside	81,926	80,710	0	88,788	0	665	136,724	388,813
Platteville	(224,106)	112,931	(99,987)	208,584	0	12,138	231,271	240,831
River Falls	27,776	53,770	0	432,513	0	22,500	43,870	580,429
Stevens Point	1,176,993	130,690	0	50,100	0	432,880	0	1,790,663
Stout	143,752	82,550	0	129,176	0	29,388	0	384,865
Superior	6,618	0	0	0	0	45,570	0	52,188
Whitewater	0	65,982	0	539,086	405	24,403	300,536	930,412
Colleges	4,043	6,350	0	104,177	0	0	1,595,833	1,710,403
Extension	11,501,027	0	0	815,005	0	0	0	12,316,032
System-Wide	0	0	0	949,416	0	0	0	949,416
Nonfederal Totals	15,483,210	11,578,852	1,553,758	45,780,834	13,483,265	108,166,416	9,107,568	205,153,904

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2004-2005 - Second Quarter

	Extension	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
INCREASE (DECREASE)								
Madison	5,451,976	(3,921,732)	(1,233,383)	(9,391,523)	(3,275,882)	29,372,195	5,555,590	22,557,241
Milwaukee	2,234,245	(3,565,515)	2,100	716,298	0	738,764	(1,244,850)	(1,118,957)
Eau Claire	(239,706)	(288,971)	0	0	0	(251,287)	(52,585)	(832,549)
Green Bay	6,589	(306,730)	(4,200)	(7,026)	(55,000)	(1,646,876)	2,163,536	150,293
La Crosse	(284,519)	(559,174)	(5,357)	(673,921)	0	1,248,372	17,096	(257,503)
Oshkosh	1,042,369	(874,823)	0	0	0	(359,809)	266,353	74,090
Parkside	(211,335)	(761,278)	0	13,088	0	53,370	(13,935)	(920,090)
Platteville	514,718	(114,302)	5,000	170,355	0	204,647	12,612	793,030
River Falls	169,250	(99,838)	0	422,970	0	(139,928)	70,105	422,559
Stevens Point	1,357,970	490,126	0	(461,129)	0	(303,823)	(2,802,481)	(1,719,337)
Stout	446,216	27,379	0	666,736	(23,570)	179,609	739,799	2,036,169
Superior	53,747	10,000	0	(33,912)	0	(285,460)	1,219,996	964,371
Whitewater	244,783	33,959	0	(335,608)	2,449	(98,234)	263,381	110,729
Colleges	10,350	(603,532)	2,050	521,039	0	(98,032)	(1,117,186)	(1,285,311)
Extension	4,445,980	0	0	(815,005)	0	0	0	3,630,975
System-Wide	0	(558,835)	0	(245,644)	0	(50,000)	0	(854,479)
Totals	15,242,633	(11,093,266)	(1,233,790)	(9,453,282)	(3,352,003)	28,563,508	5,077,431	23,751,231
Madison	2,064,046	(821,218)	222,003	165,571	(3,282,740)	29,945,809	523,562	28,817,033
Milwaukee	1,502,259	(3,343,541)	0	(21,374)	0	567,133	(1,276,874)	(2,572,397)
Eau Claire	(371,547)	(289,546)	0	0	0	(272,698)	(52,585)	(986,376)
Green Bay	0	(261,935)	0	0	0	(1,641,548)	2,236,504	333,021
La Crosse	(129,000)	(557,034)	(5,357)	(768,733)	0	399,612	18,496	(1,042,016)
Oshkosh	597,441	(960,023)	0	0	0	(143,764)	266,353	(239,993)
Parkside	(83,659)	(816,864)	0	0	0	43,100	101,774	(755,649)
Platteville	201,071	0	(99,987)	303,366	0	56,822	243,883	705,155
River Falls	184,130	(99,117)	0	379,319	0	(138,560)	101,975	427,747
Stevens Point	963,250	15,655	0	(496,750)	0	(167,914)	(2,802,481)	(2,488,240)
Stout	433,308	31,375	0	443,857	(32,400)	197,373	529,521	1,603,034
Superior	60,365	0	0	(33,912)	0	(266,820)	1,219,996	979,629
Whitewater	236,513	80,000	0	(117,226)	0	(110,085)	215,695	304,898
Colleges	5,193	(611,131)	0	245,683	0	(99,373)	220,518	(239,110)
Extension	1,643,557	0	0	0	0	0	0	1,643,557
System-Wide	0	(558,835)	0	639,433	0	(50,000)	0	30,598
Federal Totals	7,306,928	(8,192,214)	116,659	739,234	(3,315,140)	28,319,087	1,546,337	26,520,891
Madison	3,387,930	(3,100,514)	(1,455,386)	(9,557,094)	6,858	(573,614)	5,032,028	(6,259,792)
Milwaukee	731,986	(221,974)	2,100	737,672	0	171,631	32,024	1,453,440
Eau Claire	131,841	575	0	0	0	21,411	0	153,827
Green Bay	6,589	(44,795)	(4,200)	(7,026)	(55,000)	(5,328)	(72,968)	(182,728)
La Crosse	(155,519)	(2,140)	0	94,812	0	848,760	(1,400)	784,513
Oshkosh	444,928	85,200	0	0	0	(216,045)	0	314,083
Parkside	(127,676)	55,586	0	13,088	0	10,270	(115,709)	(164,441)
Platteville	313,647	(114,302)	104,987	(133,011)	0	147,825	(231,271)	87,875
River Falls	(14,880)	(721)	0	43,651	0	(1,368)	(31,870)	(5,188)
Stevens Point	394,720	474,471	0	35,621	0	(135,909)	0	768,903
Stout	12,908	(3,996)	0	222,879	8,830	(17,764)	210,278	433,136
Superior	(6,618)	10,000	0	0	0	(18,640)	0	(15,258)
Whitewater	8,270	(46,041)	0	(218,382)	2,449	11,850	47,686	(194,169)
Colleges	5,157	7,599	2,050	275,356	0	1,341	(1,337,704)	(1,046,201)
Extension	2,802,423	0	0	(815,005)	0	0	0	1,987,418
System-Wide	0	0	0	(885,077)	0	0	0	(885,077)
Nonfederal Totals	7,935,705	(2,901,051)	(1,350,449)	(10,192,516)	(36,863)	244,420	3,531,094	(2,769,660)

February 11, 2005

I.2.e.(1)

UNIVERSITY OF WISCONSIN SYSTEM

TRUST FUNDS

ANNUAL REPORT

YEAR ENDED JUNE 30, 2004

<http://www.uwsa.edu/tfunds/annrep04.htm>

REVISED

I.3. Physical Planning and Funding Committee

Thursday, February 10, 2005
Room 1511 Van Hise Hall
1220 Linden Drive, Madison

10:00 a.m. All Regents – Room 1820 Van Hise Hall

- Governor's 2005-07 Biennial Budget
- President's Efficiencies and Report to the Joint Audit Committee
- Discussion of and action on consolidation of administrative operations of UW Colleges and UW-Extension, and authorization to recruit a Chancellor for UW Colleges and UW-Extension
[Resolution A]

12:00 p.m. Box Lunch

12:30 p.m. All Regents

- Plan 2008: Educational Quality Through Racial and Ethnic Diversity - Phase II

1:30 p.m. Physical Planning and Funding Committee Meeting – Room 1511

- a. Approval of the Minutes of the December 9, 2004 Meeting
- b. Report of the Assistant Vice President
 - Building Commission Actions
 - Minority Business Enterprise
 - State Building Commission Awards of Excellence
- c. UW Colleges: UW-Fond du Lac – Authority to Release a .62 Acre Parcel Leased from Fond du Lac County
[Resolution I.3.c.]
- d. UW-Extension: Lowell Hall Lobby Renovation (Design Report)
[Resolution I.3.d.]
- e. UW-Madison: Authority to Lease Space for the UW-Madison Graduate School – Wisconsin National Primate Research Center
[Resolution I.3.e.]
- f. UW-Platteville: Authority to Enter Into a Land Use Agreement and to Lease Space
[Resolution I.3.f.]
- g. UW-Stevens Point: Authority to Increase the Budget of the DeBot Center Kitchen and Dining Upgrade Project
[Resolution I.3.g.]

- h. UW System: Maintenance and Repair Projects
[Resolution I.3.h.]
- x. Additional items that may be presented to the Committee with its approval

Authority to Release Leased Property Rights,
UW Colleges

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW Colleges Interim Chancellor and the President of the University of Wisconsin System, authority be granted for the officers of the Board of Regents to release leased property rights for a .62-acre parcel of land leased from Fond du Lac County for the site of UW-Fond du Lac as requested by Fond du Lac County.

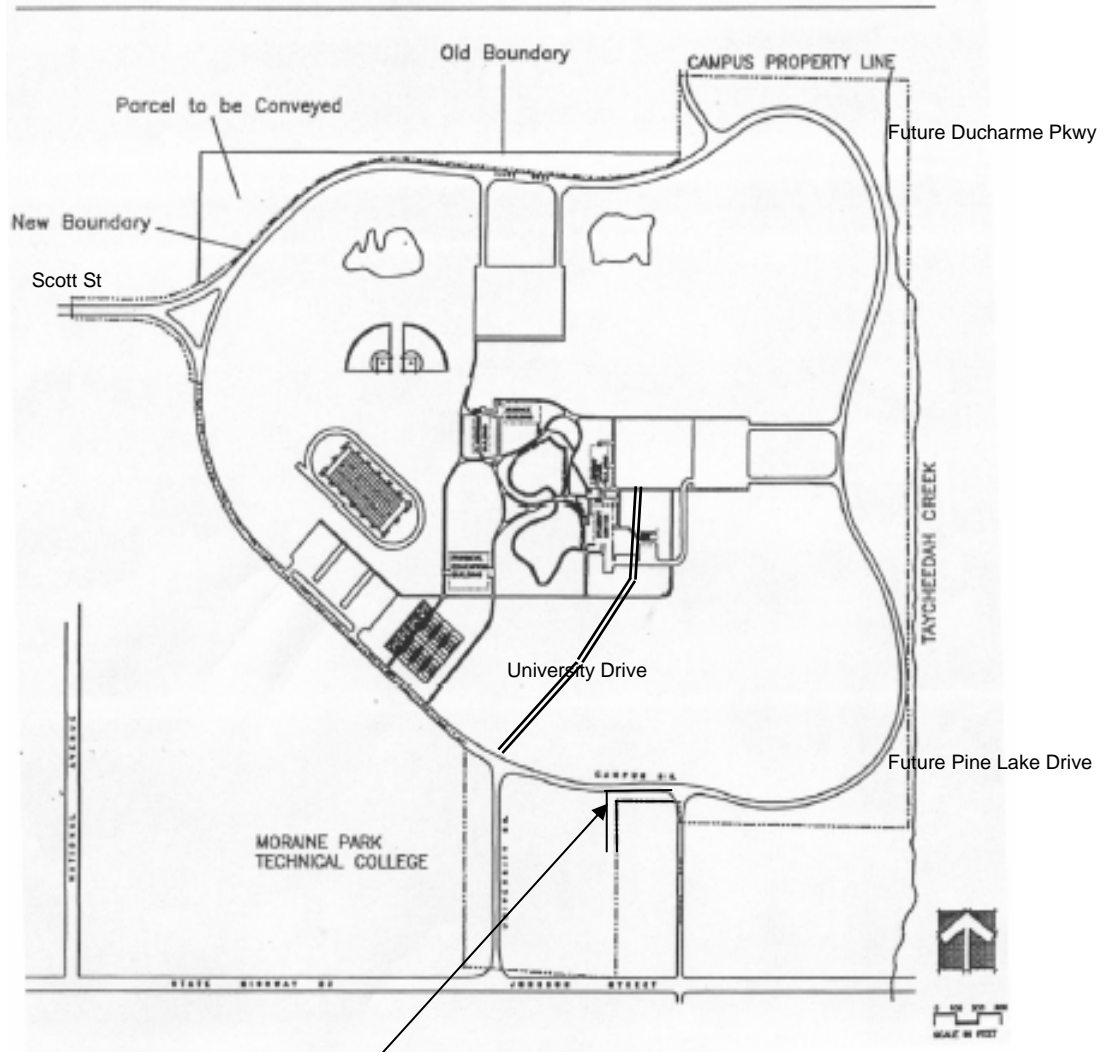
THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action February 2005

1. Institution: The University of Wisconsin Colleges
The University of Wisconsin-Fond du Lac
2. Request: Requests authority for the officers of the Board of Regents to release leased property rights for a .62-acre parcel of land leased from Fond du Lac County for the site of UW-Fond du Lac as requested by Fond du Lac County.
3. Description and Scope of Project: This requested action will result in removing the .62-acre parcel from land leased by the county to the Board of Regents, and enable Fond du Lac County to sell the parcel to the adjoining property owner for \$26,983. As shown on the attached map, the L-shaped parcel is outside the campus loop road. The L-shaped parcel is nominally 50 feet by 540 feet.
4. Justification for the Request: The property owner immediately to the southeast of the L-shaped parcel has been encroaching on the subject land since the 1970's. The land has not been and will not be used by the College. The county has no other use for the parcel and wants to sell it to the adjoining property owner.
5. Budget: None.
6. Previous Action: None.

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UNIVERSITY OF WISCONSIN – FOND DU LAC



Parcel to be released

Authority to Construct and Increase the Budget
of the Lowell Hall Lobby Renovation Project,
UW-Extension

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-Extension Interim Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct, and increase the budget of the Lowell Hall Improvements project by \$194,000 Program Revenue - Cash for a revised total project cost of \$1,338,000 (\$1,144,000 Program Revenue supported Borrowing; and \$194,000 Program Revenue - Cash).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action February 2005

1. Institution: The University of Wisconsin-Extension
2. Request: Requests approval of the Design Report, authority to construct, and increase the budget of the Lowell Hall Improvements project by \$194,000 Program Revenue - Cash for a revised total project cost of \$1,338,000 (\$1,144,000 Program Revenue supported Borrowing; and \$194,000 Program Revenue - Cash).
3. Description and Scope of Project: This project will renovate 5,910 GSF and construct 1,680GSF of additional space. Lowell Hall is located at 610 Langdon Street in Madison. The improvements consists of upgrading the appearance of the Lowell Conference Center main reception area, improving accessibility to and within the building, renovating the first floor restrooms, installing an elevator, upgrading building signage (interior and exterior), installing a new air handling unit, installing a gas vent fireplace in the main lounge, and creating additional guest suites.

On the Langdon Street side, the existing sidewalk, outdoor plaza and stairs will be replaced, and the vestibule will be removed and reconstructed. A two story (three stop) elevator will be installed to provide access to all lobby and classroom levels and improve the conference center operations. On the Frances Street side, the existing covered walkway and patio will be demolished and replaced with an enclosed entry corridor and new outdoor plaza.

In the interior of the existing building, the hotel registration desk and associated administration areas, and the men's and women's toilets will be relocated. Replacement facilities will be constructed to improve the appearance, accessibility and function of these spaces. The existing lobby and adjacent corridors and support spaces will be refurbished. In addition, an existing guestroom suite and adjacent office space will be converted to three new smaller guestrooms to maximize the use of the guestrooms and increase net income for the conference center.

A new larger HVAC air handler unit will be added to replace an outdated unit (built in 1959) to ventilate the lounge space and the new enclosed entrance on Frances Street

The start of construction is scheduled for November 2005 with final completion in September 2006 to minimize disruptions to the Conference Center and the guest operations.

4. Justification of the Request: Lowell Hall was originally built as a private dormitory in 1960. Around 1969 UW-Extension purchased the dormitory and converted it to the

Lowell Conference Center. At that time, a wing of the building (72 rooms) was remodeled into hotel rooms. The other two wings of the seven story building were assigned as university offices for UW-Madison and UW-Extension. This project will improve accessibility and the outdated appearance of the Lowell Center to be equivalent to that of the Pyle Center, another UW-Extension Conference Center which was remodeled in 1998 and presents a contemporary and professional environment for conferences.

The project also provides an excellent opportunity to replace mechanical equipment dating back to the early 1960's which is at the end of its useful life.

5. Budget and Schedule:

Budget	%	Cost
Construction		\$1,051,000
A/E Fees	9 %	\$99,000
DSF Management	4 %	\$42,000
Contingency	10 %	\$104,700
Equipment		\$33,000
Asbestos Abatement		\$5,000
Percent for Art		\$3,300
Total Project Cost		\$1,338,000

6. Previous Action:

<p>August 22, 2002 Resolution 8582</p>	<p>The Board of Regents recommended enumeration of the UW-Extension Lowell Hall Improvement project at an estimated total project budget of \$1,144,000 Program Revenue Supported Borrowing)</p>
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Authority to Execute a Lease of Space for the
UW-Madison Graduate School - Wisconsin
National Primate Research Center, 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 for the Department of Administration to execute a lease for 19,000 square feet of space at 555-585 Science Drive in Madison, Wisconsin, on behalf of UW-Madison's Graduate School for the Wisconsin National Primate Research Center.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action February 2005

1. Institution: The University of Wisconsin-Madison
2. Request: Requests authority for the Department of Administration to execute a lease for 19,000 square feet of space at 555-585 Science Drive in Madison, Wisconsin, on behalf of UW-Madison's Graduate School for the Wisconsin National Primate Research Center.

Lessor: University Research Park, Inc.
510 Charmany Drive
Madison, WI 53719

3. Lease Information: The proposed lease covers 19,000 square feet of laboratory and office space at the University Research Park for the UW-Madison Primate Center's AIDS research program. The lease is for the period beginning June 1, 2005, (or date of occupancy) through May 31, 2010, at an initial annual rate of \$346,750 (\$18.25/GSF). That rate includes the annual base rental at \$175,750 and estimated annual operating expenses of \$171,000. The lease also provides for a three-year renewal option and a subsequent two-year renewal option from June 1, 2010, to coincide with research fund renewals.

After the initial year, the base rental rate will increase three percent annually, including each of the five years covered in the two optional renewals. Operating expenses will also be adjusted annually to reflect a proportionate share of the actual operating expenses for the prior 12-month period. These costs will be funded by Primate Center research grants.

4. Description and Scope of Project: This lease provides 19,000 leasable square feet of laboratory and office space for the Primate Center's AIDS research program. The space will be remodeled to accommodate approximately 45 new and existing researchers to design more precise and informative tissue transplant, HIV vaccine, and other studies. The researchers will work with genomes of rhesus and cynomolgus monkeys at this laboratory.

This space is being redesigned to provide flexible research lab space and some offices. Remodeling will begin when the lease is executed, with completion targeted for June of 2005 or 60-90 days after the start date. The labs will be retrofitted to attain Biosafety Level 3 requirements and meet the specific needs of the Primate Center's AIDS Research Program. These improvement costs, totaling \$2,300,000, include an upfront payment of \$750,000 for equipment purchases, with the remaining \$1,550,000 amortized by the lessor over a three and one half year period at seven percent interest, with no prepayment penalty. The improvement costs will be funded by Primate Center research grant monies.

5. Justification: Approval from the Board of Regents and State Building Commission is required when the lease involves more than 10,000 square feet. The proposed lease is for 19,000 square feet.

In May 2004, the Department of Administration authorized UW-Madison to pursue the potential of obtaining additional space at the University Research Park. A Request for Information was solicited in July of 2004 for existing laboratory space on or near campus or the University Research Park. Only one proposal was submitted within the boundaries specified and results in this lease proposal. No formal Request for Proposal was required due to justification of sole source, required needs, and close adjacencies to other UW programs within the Park.

The Wisconsin National Primate Research Center is one of eight federally supported national primate research centers and the only one in the Midwest. More than 250 center scientists, through competitive grants, conduct research in primate biology with relevance to human and animal health.

The proposed lease addresses the Primate Center's shortage of laboratory space for its growing AIDS research program. The center has reached a critical juncture in its ability to provide adequate space on the main campus for this important research program. The center's AIDS research program has recently been awarded a \$6.5 million contract from the National Institute of Allergy and Infectious Diseases for characterizing non-human primates to enhance the work of transplant biologists around the world. The award will allow expansion of the program's proven, unique capability to characterize the primate major histo-compatibility complex, or MHC. MHC plays a central role in governing the immune response to pathogens and the acceptance or rejection of solid tissue transplants, and the award will allow the center to develop immune monitoring reagents and MHC typing technologies.

The Primate Center staff carefully analyzed which portions of its research could most easily operate off-site to alleviate overcrowded conditions at the Capitol Court location. The decision was made to relocate the AIDS research program since researchers in this program primarily work with tissue cultures and do not require direct access to the primates. This move enables programs dealing directly with non-human primates to remain at the Primate Center on campus.

The Primate Center already has a presence at the University Research Park. In August of 2003, the center relocated administrative offices from campus to 5,000 ASF at 455 Science Drive at the University Research Park. This move enabled reassignment of on-campus space to research staff. No major connection is lost between the two leased sites, as one accommodates administrative support functions, and the proposed lease is for laboratory research space.

A long range master plan for the Primate Center is underway with completion anticipated in fall of 2005. It is likely that significant expansion of the Primate Center facility will be recommended. A Primate Center Addition-Phase I project is being pursued as part of the

2005-07 Capital Budget to provide needed library and workshop space and to return the administrative functions to campus. Future construction of additional new research space, supported by the Master Plan, will be dependent on grant funding. In the meantime, this leased space will provide needed research laboratory space for the Primate Center faculty and staff. The requested Research Park laboratory space design will be easily adapted for use by other university units.

6. Previous Action: None.

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Authority to Enter Into a Land Use Agreement
and to Lease Space, UW-Platteville

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of Wisconsin System, authority be granted for the officers of the Board of Regents: (1) to enter into a land use agreement to permit Platteville Partners, LLC to construct additional student housing on land owned by the Board of Regents, and (2) to lease the 141,600 leasable square foot (lsf) residence hall from Platteville Partners, LLC.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action February 2005

1. Institution: The University of Wisconsin–Platteville
2. Request: Requests authority for the officers of the Board of Regents: (1) to enter into a land use agreement to permit Platteville Partners, LLC to construct additional student housing on land owned by the Board of Regents, and (2) to lease the 141,600 leasable square foot (lsf) residence hall from Platteville Partners, LLC.
3. Lease Information: The lease covers 141,600 lsf of space for the period beginning August 7, 2006, through July 31, 2036, at an annual rate of \$1.694 million the first year (\$11.96/lsf). UW-Platteville will operate the facility and pay utilities, maintenance and housekeeping costs estimated to be \$348,000 annually (\$2.46/lsf) for a total annual operating lease and operating cost of \$2.042 million (\$14.42/lsf). The net rent will be increased two and one-half percent annually. The lease includes one 36-year renewal option. The lease will include an option to purchase at a price of \$17,650,000 upon occupancy, \$18,543,000 in the third year, and at market rate thereafter. Housing revenues will pay all lease, operating, and utility costs.
4. Description and Scope of the Project: Approval of this request will permit Platteville Partners, LLC to construct a 151,500 gross square feet, six-story residence hall on a parcel of land owned by the Board of Regents on the UW-Platteville campus (see attached map). The residence hall will be available for occupancy in August of 2006 to house 380 students in suite style living units. Development of the building and surrounding site is estimated to cost \$17.650 million for which Platteville Partners, LLC will secure financing from commercial banks.

The UW-Platteville has requested enumeration of program revenue bonding authority in the 2005-07 biennial capital budget to purchase the building. The building will be connected to the campus heating and utilities systems.
5. Justification of the Project: This project is necessary to support growth in student enrollments from 5,800 to 7,800 students starting in 2005, reaching 7,800 students in 2011 through the Regent approved Tri-State Initiative. The nine existing residence halls (constructed from 1961 through 1969) are currently operating at an overflow capacity, housing 2,400 students in spring of 2004. This project will not replace existing residence halls but will add to the capacity to house Tri-State Initiative students. UW-Platteville currently allows some junior and senior students to live in university residence halls, and is not able to meet the demand for students seeking residence hall housing. The new residence hall will accommodate the new Tri-State Initiative students as well as other students seeking university housing.

The Tri-State Initiative enrollment goal for the fall of 2005 is 200 students. To date, UW-Platteville has received 315 applicants of which 240 have been admitted and 170 have paid deposits.

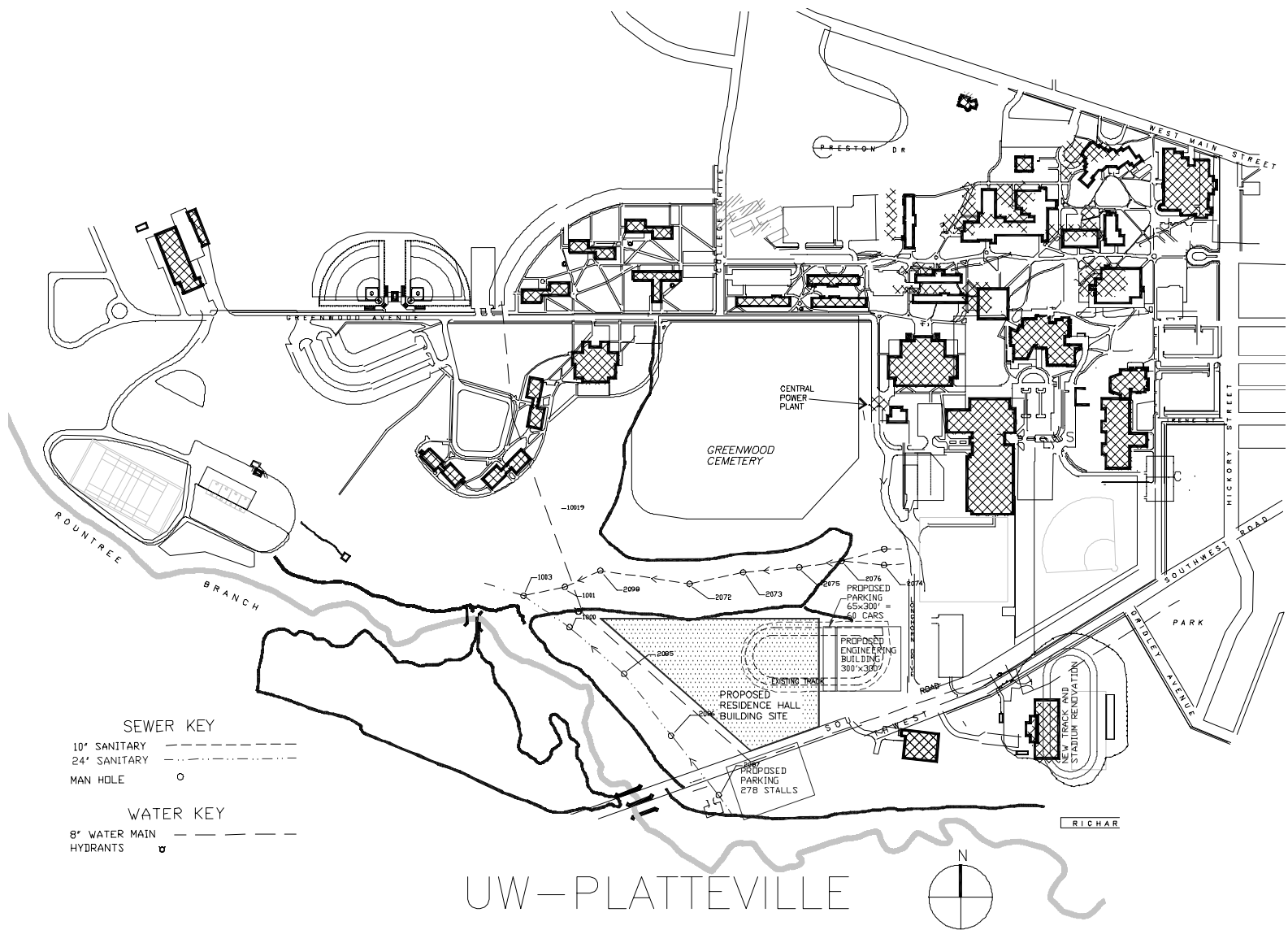
The following table shows the minimal increases in housing rates after occupancy of the new suite style residence hall.

	Double room	Single occupancy of a double room	Suite
Fall 2004	\$2,336	\$3,240	n/a
Fall 2006	\$2,445	\$3,396	\$3,600
Increase	\$109	\$156	

6. Budget: An annual lease and operating cost of \$2.042 million, housing program revenues.

7. Previous Action:

May 7, 2004 Resolution 8836	Granted authority to issue a Request For Proposals (RFP) for the private development of a new suite style residence hall on the UW-Platteville campus.
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Authority to Increase the Budget of the 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 Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the DeBot Center Kitchen and Dining upgrade project by \$385,300 Program Revenue-Cash for a revised total project cost of \$970,000 Program Revenue-Cash.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action February 2005

1. Institution: The University of Wisconsin–Stevens Point
2. Requests: Request authority to increase the budget of the DeBot Center Kitchen and Dining upgrade project by \$385,300 Program Revenue-Cash for a revised total project cost of \$970,000 Program Revenue-Cash.
3. Description and Scope of the Project: This project will renovate three dining rooms and the kitchen during the summer of 2005. 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 serve 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.
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 have reached the point where improvements are necessary to continue to provide an appropriate environment for meal plan service. 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 University Center also provides food service for many students during the academic year and summer sessions. A major renovation of the University Center food service facilities will begin during the spring semester in 2006 at which time students using the University Center will be redirected to the DeBot Center. Therefore, it is critical that all work be completed at the DeBot Center in the summer of 2005 so it is fully operational for the 2005-06 academic year and the summer of 2006.

The increase in funding is required to add additional mechanical equipment and increase the capacity of the existing equipment so the facility meets code for occupancy during peak periods.

5. Budget:

Upper Level Dining & Kitchen	
Construction	\$772,000
Contingency	57,400
A/E Fee (12%)	104,700
DSF Fee	34,000
Percent for Art	1,900
Sub-total	<u>\$970,000</u>

6. Previous Action:

<p>March 5, 2004 Resolution 8807</p>	<p>The Board of Regents recommended 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.</p>
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Authority to Construct Various Maintenance
and Repair 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 to construct various maintenance and repair projects at an estimated total cost of \$4,004,100 (\$1,806,000 PRSB – Facilities Maintenance and Repair, \$276,000 PRSB – Health, Safety, and Environmental Protection, \$392,400 PRSB – Utilities Repair and Renovation, \$277,000 Program Revenue Cash, and \$1,252,700 Gifts/Grants funding).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action February 2005

1. Institution: The University of Wisconsin System
2. Request: Requests authority to construct various maintenance and repair projects at an estimated total cost of \$4,004,100 (\$1,806,000 PRSB – Facilities Maintenance and Repair, \$276,000 PRSB – Health, Safety, and Environmental Protection, \$392,400 PRSB – Utilities Repair and Renovation, \$277,000 Program Revenue Cash, and \$1,252,700 Gifts/Grants funding).

FACILITIES MAINTENANCE & REPAIR

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	PR CASH	GIFT/GRANT	BTF	TOTAL
RVF	04K1N	Multi-Res Hall Restroom Renv	\$ -	\$ 1,806,000	\$ -	\$ -	\$ -	\$ 1,806,000
HS&E SUBTOTALS			\$ -	\$ 1,806,000	\$ -	\$ -	\$ -	\$ 1,806,000

HEALTH, SAFETY, & ENVIRONMENTAL PROTECTION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	PR CASH	GIFT/GRANT	BTF	TOTAL
SUP	05A2C	Hawks/Ross Hall Fire Alarm Repl	\$ -	\$ 276,000	\$ -	\$ -	\$ -	\$ 276,000
HS&E SUBTOTALS			\$ -	\$ 276,000	\$ -	\$ -	\$ -	\$ 276,000

PROGRAMMATIC REMODELING & RENOVATION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	PR CASH	GIFT/GRANT	BTF	TOTAL
MSN	04E4E	Kegonsa Instrument Stor Facil	\$ -	\$ -	\$ -	\$ 305,000	\$ -	\$ 305,000
MSN	04K1D	Kohl Ctr Weight Rm Rmdl	\$ -	\$ -	\$ -	\$ 450,000	\$ -	\$ 450,000
MSN	04L1Z	MSC Ophthalmology Lab Renv	\$ -	\$ -	\$ -	\$ 497,700	\$ -	\$ 497,700
PR&R SUBTOTALS			\$ -	\$ -	\$ -	\$ 1,252,700	\$ -	\$ 1,252,700

UTILITIES REPAIR & RENOVATION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	PR CASH	GIFT/GRANT	BTF	TOTAL
EAU	05A2B	Bollinger Field Lot & Lights	\$ -	\$ -	\$ 277,000	\$ -	\$ -	\$ 277,000
OSH	04H3F	Woodland Ave. Parking Lot	\$ -	\$ 392,400	\$ -	\$ -	\$ -	\$ 392,400
UR&R SUBTOTALS			\$ -	\$ 392,400	\$ 277,000	\$ -	\$ -	\$ 669,400

	GFSB	PRSB	PR CASH	GIFT/GRANT	BTF	TOTAL
FEBRUARY 2005 TOTALS	\$ -	\$ 2,474,400	\$ 277,000	\$ 1,252,700	\$ -	\$ 4,004,100

3. Description and Scope of Project: This request constructs various maintenance, repair, renovation, and upgrades through the All Agency Projects Program.

Facilities Maintenance and Repair Requests

RVF – 04K1N – May Hall and Prucha Hall Restroom/Shower Room Renovation (\$1,806,000): This project completely renovates approximately 5,000 SF of restrooms and shower rooms and 1,150 SF of residence rooms between May Hall and Prucha Hall to create new restroom and shower room pairs on each floor. Project work includes selective demolition and reconstruction (architectural, mechanical, electrical, and plumbing) and hazardous materials abatement.

Communal restroom/shower rooms in May Hall (built in 1963) and Prucha Hall (built in 1960) have leaking shower pans, failing plumbing systems, and marginally adequate ventilation systems. Floor, wall, and ceiling surfaces are increasingly difficult to maintain. Ceramic floor and wall tile continue to fall off and require constant maintenance. Incinerator shafts are no longer used and take up space that can be used in the adjacent restrooms.

Residence Life room assignment policies support co-educational housing and permit both genders to live on the same floor. Converting the existing single restroom/shower area to two smaller restroom/shower combinations facilitates this room assignment option. Similar projects in Stratton Hall and Hathorn Hall resulted in the need to combine existing core space with an adjacent residence room in order to design new restrooms that meet ADA access and fixture count requirements. This project is one of a series of projects to reduce deferred maintenance in residence halls. Students approved a fee increase in 1998 to pay for this and similar projects. No additional fees will be collected to pay for this project.

Health, Safety, & Environmental Protection Requests

SUP – 05A2C – Hawkes Hall and Ross Hall Fire Alarm System Replacement (\$276,000): This project replaces the fire alarm system in Hawkes Hall and Ross Hall. The new fire alarm systems will be fully addressable with one way voice capability. New pull stations, heat and smoke detectors, and speaker/strobe signal devices will be installed. An annunciator panel will be installed at each fire fighter entrance. An audio signal device will be installed in each student bedroom in Ross Hall. The new systems will meet all current codes including ADA. The fire alarm panels will be connected to the campus central fire alarm central reporting network.

Hawkes and Ross Halls were constructed in 1967, each as 60,685 GSF single student residence halls. While Ross Hall still provides student housing, Hawkes Hall leases space as office suites. The existing fire alarm systems in these halls are 120-volt alternating current type systems installed during original construction. These systems are obsolete, require frequent maintenance and component parts are difficult to obtain. A new 24-volt direct current, addressable system will reduce maintenance cost, increase system reliability, and provide a higher level of life safety protection for hall occupants. This project completes fire alarm system replacements in all six residence halls started in the mid 1990's.

Programmatic Remodeling & Renovation Requests

MSN – 04E4E – Kegonsa Research Campus Instrument Storage Facility (\$305,000): This project constructs a new 6,000 GSF insulated pole building at the Kegonsa Research Campus (Stoughton, WI) to house scientific instrumentation and equipment for the IceCube research project using owner supplied pallet racking. The building will be reinforced concrete slab on grade construction with structural poles and roof trusses spaced approximately 8'0" on center. Roof trusses should allow 16'0" AFF clearance. Provide proper attic venting and vapor barrier to avoid condensation problems.

This project enables equipment storage fabricated for the IceCube project. IceCube, as the observatory is known, is a next-generation subatomic particle telescope designed to be implanted deep in ice in the South Pole. The system will measure and chart the path of neutrinos, the smallest particles of matter, as they pass from space through the earth. Made up of 4,800 glass optical modules on 80 strings buried 0.8 to 1.5 miles below the ice, the Ice Cube telescope effectively converts a cubic kilometer of Antarctic ice into the world's largest scientific instrument. Expected to be completed over the next seven years, the \$250 million observatory will help physicists learn about the early formation of the universe and the behavior of the most basic particles of matter. UW-Madison is the lead institution in this international effort.

MSN – 04K1D – Kohl Center Dining Room and Weight Room Remodeling (\$450,000): This project renovates a weight room, temporary dining room, and three service bays into a 2,285 SF dining room and a 4,250 SF weight room. An existing weight room will be converted into a dining area, and a temporary dining area and adjacent service bays will be converted into a weight room. Project work includes selective demolition and reconstruction (architectural, mechanical, electrical/telecommunications, plumbing, and fire protection).

The existing weight room is not large enough to handle the peak demand for the space, and the temporary dining room (900 SF) restricts the types of events held in the space. The temporary dining room and adjacent service bays are the only spaces large enough to accommodate the expanded weight room. Providing a permanent dining room space allows the athletic clubs the opportunity to grow memberships and services.

MSN – 04L1Z – Medical Sciences Center Ophthalmology Laboratory Renovation (\$497,700): This project creates an ophthalmology research laboratory and associated support space in approximately 3,600 ASF of former Medical School Student Teaching Labs (rooms 3365 and 3385). Project work includes creating an open wet lab area, shared core space, and individual support rooms.

This project enables the Medical School to expand and upgrade research lab space available for auxiliary funded research. The renovation creates primary bench space for new faculty and enables the Medical School to expand its activities in accordance with the Medical

School's strategic plan. It has been determined through previous planning efforts the proposed project area has sufficient capacity in all the required utility systems such that the conversion of the student labs to research lab should be able to be readily accommodated. The proposed renovation will not create a burden on the existing systems. The air handling supply fan and exhaust fan for this section of MSC has been upgraded by installing new equipment within in the last six months.

Utilities Repair and Renovation Requests

EAU – 05A2B – Bollinger Fields Parking Lot and Exterior Lighting Installation (\$277,000):

This project creates a new 100-stall parking lot, makes asphalt trail improvements, constructs new landscaping material storage bins, creates a new storm water retention pond, and installs new exterior lighting and emergency phone for the parking lot and trails.

Approximately 40% of UW-Eau Claire's 10,600 student population live on campus, and many of these student residents participate in the campus recreation programs. Bollinger Fields are a multi-purpose recreational facility utilized by the University and City for recreational programming. The recreational fields are located over one mile from campus, and the surrounding area provides limited on-street parking. This project follows the campus goals to provide safe and convenient student parking. Lighting for the parking lot and walkways are needed for safety reasons. Programming for the facility is routinely scheduled after sunset and programming personnel are typically the last to leave the complex.

OSH – 04H3F – Woodland Avenue Parking Lot Construction (\$392,400): This project widens the recently vacated Woodland Avenue right-of-way between Elmwood Avenue and Algoma Boulevard into two new parking areas and provides a total of 100 parking stalls. The new parking areas will be divided by an extended pedestrian mall, connecting the main campus to the Arts and Communication complex. Project work includes removal of concrete curb, pedestrian walkway, and street surface; relocation of overhead utilities (electrical and telecommunication) to an underground location, and removal of utility poles.

The Woodland Avenue right-of-way (approximately 31,250 SF) was vacated by the City of Oshkosh Common Council at their May 11th, 2004 meeting. This project implements a piece of the campus master plan which identifies an approximate 900 parking stall deficit. The project also allows a pedestrian connection between the main campus and the Arts and Communication complex by eliminating one of the city street bisectors through campus. This project provides a significant improvement to campus safety and aesthetics, and is an important piece of the overall master plan. Campus parking fees were increased \$30 annually this year in anticipation of the small Woodland Avenue parking lot and the planned 430-car parking ramp. Campus parking fees are scheduled for an additional \$30 annual increase (\$135 total annual cost) next year.

Justification of the Request: UW System Administration and Division of State Facilities continue to work with each institution to develop a comprehensive campus physical development plan, including infrastructure maintenance planning. After a thorough review of approximately 250 All Agency Project proposals and 520 infrastructure planning issues submitted, and the UW All Agency Projects Program funding targets set by the Division of State Facilities (DSF), this request represents high priority University of Wisconsin System infrastructure maintenance, repair, renovation, and upgrade needs. This request focuses on existing facilities and utilities, targets the known maintenance needs, and addresses outstanding health and safety issues. Where possible, similar work throughout a single facility or across multiple facilities has been combined into a single request to provide more efficient project management and project execution.

5. Budget:

\$ 1,806,000	PRSB – Facilities Maintenance and Repair
276,000	PRSB – Health, Safety, and Environmental Protection
392,400	PRSB – Utilities Repair and Renovation
277,000	Program Revenue - Cash
<u>1,252,700</u>	Gifts/Grants
\$ 4,004,100	Total Funding Request

6. Previous Action: None.

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

February 11, 2005
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 December 9 and December 10, 2004 meetings
3. Report of the President of the Board
 - a. Resolution of appreciation: Senior Vice President David Olien
 - b. Resolution of appreciation: Vice President Linda Weimer
 - c. Report on the January 21, 2005 meeting of the Educational Communications Board
 - d. Report on the January 25, 2005 meeting of the Wisconsin Technical College System Board
 - e. Report on the February 9, 2005 meeting of the Hospital Authority Board
 - f. Additional items that the President of the Board may report or present to the board
4. Report of the President of the System
5. Report of the Business and Finance Committee
6. Report of the Education Committee
7. Report of the Physical Planning and Funding Committee
8. Additional resolutions
9. Communications, petitions and memorials
10. Unfinished or additional business
11. Recess into closed session to consider appointment of a chancellor, UW-River Falls, and appointment of an Interim Chancellor, UW-Eau Claire, as permitted by s.19.85[1][c], *Wis. Stats.*, to consider a UW-Superior honorary degree nomination, as permitted by s.19.85[1][f], *Wis. Stats.*, and to confer with legal counsel regarding pending or 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.

February 9, 2005

TO: The University of Wisconsin Board of Regents

FROM: Regent Eileen Connolly-Keesler

RE: Summary of the January 21, 2005, Meeting of the Wisconsin Educational Communications Board

The Educational Communications Board quarterly meeting focused on state budget challenges as well as the future of digital technology. The Board reviewed the executive branch-mandated report cutting ten percent of the agency budget. The agency has held open positions and eliminated several management positions in an effort to avoid cutbacks in television programming for the general public or the state's schools. However, the Executive Director told the Board that the ten percent cuts on top of previous reductions would now affect continuity in broadcasting because staff would not be available in a timely fashion to make emergency repairs when technical difficulties develop.

Board members elected officers for the coming year and received audits of Wisconsin Public television and Wisconsin Public Radio. The audits were both clear but a review of how assets are depreciated for accounting purposes will be reviewed by the auditors with ECB staff.

Malcolm Brett offered an impressive presentation on the Public Broadcasting Digital Future Initiative. The report is focusing on future funding as well as opportunities for enhancing services through the new digital technology. Mr. Brett stated that the new digital technology creates new opportunities to use broadcasting for both educational and workforce development needs. He demonstrated how future technology could work to enable individuals interested in both research on the subject matter of a broadcast as well as contact experts who could answer questions related to the subject matter covered in the broadcast. Two WEB portals, Wisconsinvotes.org and PortalWisconsin.org were cited as examples of using the opportunities presented by the convergence of broadcast and WEB technologies. [PortalWisconsin](http://PortalWisconsin.org) is a site maintained by a coalition of Wisconsin Public Television, Wisconsin Public Radio, the Wisconsin Historical Society and a coalition of cultural organizations across Wisconsin.

In other matters, the Board received a report of the Committee to Review Board Policies. The committee's first phase of work, reviewing all Board Policies, is in progress; policies regarding programming and fundraising are those currently under review. The next phase of activity will focus on a review of Board bylaws.

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

Meeting Schedule 2004-05

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

September 9 and 10

October 7 and 8 (UW-Superior)

November 4 and 5

December 9 and 10

2005

January 6 and 7 (cancelled, circumstances
permitting)

February 10 and 11

March 10 and 11

April 7 and 8

May 5 and 6

June 9 and 10 (UW-Milwaukee)
(Annual meeting)

July 7 and 8

August 18 and 19
(Cancelled, circumstances permitting)

September 8 and 9

October 6 and 7

November 10 and 11

December 8 and 9

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
Jose A. Olivieri
Jesus Salas

Business and Finance Committee

Mark J. Bradley (Chair)
Eileen Connolly-Keesler (Vice Chair)
Charles Pruitt
Gerard A. Randall
Peggy Rosenzweig

Education Committee

Jose A. Olivieri (Chair)
Elizabeth Burmaster (Vice Chair)
Roger E. Axtell
Danae D. Davis
Gregory L. Gracz
Beth Richlen

Physical Planning and Funding Committee

Jesus Salas (Chair)
Guy A. Gottschalk (Vice Chair)
Milton McPike
Brent Smith

Personnel Matters Review Committee

Danae D. Davis (Chair)
Roger E. Axtell
Jose A. Olivieri
Gerard A. Randall

Committee on Student Discipline and Other Student Appeals

Charles Pruitt (Chair)
Milton McPike
Brent Smith
Beth Richlen

OTHER COMMITTEES

Liaison to Association of Governing Boards

Guy A. Gottschalk

Hospital Authority Board - Regent Members

Charles Pruitt
Roger E. Axtell
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

Mark J. Bradley, Regent Member

Teaching Excellence Awards

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

Academic Staff Excellence Awards Committee

Brent Smith (Chair)
Guy A. Gottschalk
Milton McPike
Jose A. Olivieri

Public and Community Health Oversight and Advisory Committee

Patrick Boyle, Regent Liaison

Special Regent Committee for UW-River Falls

Chancellor Search
Charles Pruitt (Chair)
Eileen Connolly-Keesler
Danae D. Davis
Jesus Salas
Brent Smith

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