

MINUTES OF THE REGULAR MEETING  
of the  
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison  
Held at the Arboretum Visitors Center Auditorium  
Thursday, July 7, 2005  
10:00 a.m.

- President Walsh presiding -

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PRESENT: Regents Axtell, Bradley, Burmaster, Connolly-Keesler, Crain, Davis, Loftus,  
McPike, Pruitt, Randall, Rosenzweig, Salas, Semenas, Smith, Spector, and Walsh

ABSENT: Regent Gracz

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**Welcome to Regent Tom Loftus**

Regent President Walsh welcomed Regent Tom Loftus, who had been appointed by Governor Doyle to succeed Toby Marcovich. Regent Loftus served as U.S. Ambassador to Norway from 1993-97 and was awarded the Grand Cross by His Majesty King Harald, the highest order of the Royal Norwegian Order of Merit. He served in the State Legislature from 1977-91 and was Speaker of the house from 1983-91. Most recently, he served as Special Advisor to the Director General of the World Health Organization.

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**APPROVAL OF THE MINUTES**

The minutes of the June 9 and 10, 2005 minutes stood approved with a revision to the June 9<sup>th</sup> minutes as distributed.

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**Welcome from Kevin McSweeney, Interim Director of the UW-Madison Arboretum**

Welcoming the Regents and other attendees, Professor McSweeney explained that the Arboretum was founded in 1934 in response to a vision of Aldo Leopold to create an ecosystem of Wisconsin – a vision that continues today in the Arboretum’s mission of outreach, research, and public education.

Storm water runoff, he noted, has posed major challenges in the effort to maintain the Arboretum as one of Wisconsin’s jewels. In that regard, partners – including neighbors and adjoining municipalities – have been very helpful and cooperative.

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**REPORT OF THE PRESIDENT OF THE BOARD**

**June 21, 2005 meeting of the Wisconsin Technical College System Board**

Regent Smith, Chair of the WTCS Board, indicated that the June 21<sup>st</sup> meeting had been for purposes of strategic planning and no written report was provided. It was expected that the planning would be finalized by the following month.

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**Report on the July 6, 2005 meeting of the Hospital Authority Board**

Referring to the written report that had been provided, Regent Axtell announced that Regent Emeritus Pat Boyle had been re-elected as Chair.

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**Regent Committee Appointments and Campus Liaison Assignments**

Regent President Walsh reported that committee appointments for the coming year had been distributed.

He asked that preferences for campus liaison assignments be forwarded to him by the following Tuesday.

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**Review of Vacation, Sick Pay and Back-Up Appointments**

Regent President Walsh reported that review of vacation, sick pay and back-up appointments would be included in the compensation study being undertaken by the Business and Finance Committee, with a report due in October. The purpose, he noted, is to be as transparent as possible with regard to these matters.

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**Letter to Legislative Leadership**

Noting recent action by the State Senate to cut another \$34 million from the UW budget and an additional \$1 million from UW-Madison, along with cutting financial aid, cutting an additional \$1.5 million per year from System Administration and requiring a one and a half percent retirement contribution from non-represented employees, Regent President Walsh reported that he had written a letter to request a meeting with legislative leadership in order to discuss the message of the budget cuts with regard to student access and educational quality, given that students and their families are being asked to carry an ever-growing tuition burden, without offsetting financial aid increases.

It is ironic, he noted, that state support to the university is being scaled back so greatly at a time when the tuition share of the budget is growing and the university is bringing into the state \$800 million annually in grants, including a recently announced \$20 million award to UW-Madison for genomic research.

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**REPORT OF THE PRESIDENT OF THE SYSTEM**

**Welcome to New Regents**

President Reilly welcomed Regent Tom Loftus, noting that he held degrees from both UW-Whitewater and UW-Madison, and recognized Regents Judy Crain, Mike Spector and Chris Semenas, who had been introduced at the June meeting.

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**Welcome to New Chancellors**

President Reilly welcomed Don Betz, who recently had taken office as Chancellor of UW-River Falls, and Martha Saunders, who was to begin her tenure as Chancellor of UW-Whitewater on August 1, 2005.

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## **2005-06 ANNUAL OPERATING BUDGET**

In introductory remarks, President Reilly noted that, while the Board had requested a \$300 million biennial increase in GPR and fee funding for 2005-07, the result of the budget as passed by the Legislature was a nearly \$125 million decrease over the next two years. He then called on Associate Vice President Freda Harris for a review of the 2005-06 annual budget.

Ms. Harris began her presentation by indicating that further legislative changes to the budget approved by the Joint Committee on Finance included a \$500,000 annual reduction to UW-Madison's administration and a 2.3% across-the-board agency reduction, to be transferred to the Joint Finance reserve account. For the UW System, this amounted to \$17 million annually. Agencies would be allowed to request all or part of the funding as a supplement during the year.

In addition, the legislative budget would require non-represented classified and unclassified employees to pay 1.5% of their salaries as their retirement contribution. If the recommendation of the Office of State Employment Relations for a 2% pay plan increase in 2005-06 were approved, the retirement charge would leave only a one-half percent salary increase for most faculty and staff at a time when the UW System is significantly behind its peers in compensation, following the two previous years in which state employees received 0% and 1% salary adjustments, respectively.

Noting that the revised budget materials before the Board assumed the funding provided under the final legislative budget, Ms. Harris pointed out that the uncertainty posed by the additional \$17 million reduction is significant because campuses could not assume that the funding being held in the reserve account would be made available to educate students and would be forced to manage with a huge potential deficit.

The legislative budget included \$96 million in cost increases, \$93 million of which would be for fringe benefits, utilities, financial aid, and student technology fee increases. These cost increases would be funded by \$36 million in new tuition revenues and \$73 million in cost reductions, considering a decrease of \$12 million in state funds.

The annual operating budget, Ms. Harris explained, assumed the 2% salary increase proposed by the Office of State Employment Relations and health insurance increases at the same percentage as in 2004-05. After adjustments for pay plan and health insurance, as well as increases to the continuing appropriation, the GPR/Fee budget for the UW would decrease by -\$1.5 million in GPR and increase by \$52.8 million in academic fees, for a combined GPR/Fee increase of \$51.3 million.

For 2005-06, GPR would represent 24.05% of the total UW System budget, down from 25.57% in 2004-05. Academic fees would comprise 20.86% of the budget, compared to 20.8% in the previous year. Non-GPR/fee funds would continue to make up more than half of the university's budget.

To generate the required funding, the annual budget proposed a 6.9% tuition increase for resident undergraduate students. Tuition for nonresident and graduate students would increase at the same dollar amount as for resident undergraduates. The tuition increases would fund the tuition share of increased costs approved by the

Legislature, offset continued reductions in nonresident enrollments, and fund the estimated tuition share of pay plan and increased health insurance costs.

The proposed nonresident tuition increase would address the Board's concern about declining numbers of nonresident students by attempting to bring tuition for these students closer to market levels. In that regard it was noted that enrollment of nonresident undergraduates has decreased by 949 students since 2002-03. Because nonresident students pay more than it costs to educate them, their tuition can allow campuses to enroll more resident students.

Even with the steep tuition increases of the past two years, UW tuition remained below its peers for resident undergraduates, but above its peers in almost every other category. In 2004-05, UW-Madison was \$1,484 below its peers for resident undergraduate tuition; UW-Milwaukee was \$887 below its peers and the Comprehensive Universities were \$816 below their peers.

Under the proposed budget, tuition would increase by \$364 for most students at UW-Madison, \$356 at UW-Milwaukee, and \$277 at the Comprehensive Universities and the UW Colleges.

Segregated fees would increase by an average of 8.8% at the four-year institutions and 6.9% at the UW Colleges, primarily to fund student-initiated programming, compensation and utilities. The largest increases were caused by student-approved facility enhancements of student unions and recreation centers.

Room and board rates would increase an average of 5.1%, primarily due to new and renovated residence halls and facility maintenance projects, as well as higher costs of compensation, debt service, supplies and expenses, and utilities.

Budget decision rules were revised to reflect legislative budget changes, the most significant being the allocation of the additional \$15 million in reductions approved by the Joint Committee on Finance and the Legislature. The 2.3% across-the-board reductions would be held centrally, pending release of funds from the Joint Committee on Finance as part of a supplemental request.

In addition, the legislative budget required a position reduction of 100 FTE in 2005-06 as part of a \$15 million administrative reduction that would increase to \$20 million in 2006-07. Under the Governor's budget, the administrative position reductions were part of a reallocation to fund 125 new faculty positions, designed to increase quality, research and outreach to businesses and communities. These faculty positions were removed in the legislative budget; however, five FTE positions were added for the UW-Platteville/UW-Rock County engineering initiative.

In discussion after the presentation, Regent Smith inquired about the decline in non-resident enrollments, to which Ms. Harris replied that the decreases began in the second year after surcharges on nonresident tuition were implemented. After that, they continued to decline steadily.

In response to a question by Regent Loftus about which fee increases were approved by students, Ms. Harris indicated that students approved the allocable portion of

segregated fees. Students also were involved in initiating and approving housing changes that were incorporated in room and board increases.

Regent Spector asked how long the formula for tuition increases has been in effect, to which Ms. Harris replied that the formula has been used since the 1970s.

In reply to a question by Regent Salas, Ms. Harris indicated that the Governor's budget contemplated tuition increases in the range of 5% to 7% and that every percentage increase produces revenue of \$5.5 million. Regent Salas asked if there would be any possibility of holding students in the two lowest income quintiles harmless from tuition increases, to which Ms. Harris replied that, while no estimate was available, \$3 million in financial aid had been removed from the budget. Associate Vice President Sharon Wilhelm added that the Higher Educational Aids Board expected to cut off aid awards in mid-September because all funds would have been expended by that time, leaving no money available for late filers.

Noting the steep tuition increases of recent years, Regent Salas asked if segregated fees and room/board rates also were expected to continue to climb. In response, Ms. Harris indicated that estimates would be difficult and would depend on student interest in expanded services, facilities, and newer style residence halls. Although the average segregated fee rate increase was 8.8%, she noted that the average increase would amount to only \$58. The fee increase would average 4% for those students who do not live on campus.

Regent Loftus asked if the higher fee increases were to be found on campuses with new facilities, and Ms. Harris replied in the affirmative, adding that the projects were approved by the students on those campuses.

With regard to the additional 2.3% cut in the legislative budget, Regent Pruitt noted that it would be necessary to request release of the monies from the Joint Committee on Finance and asked if the committee could redirect the funds, to which Ms. Harris replied in the affirmative.

In response to a question by Regent Connolly-Keesler, Ms. Harris explained that special course fees are included in the tuition calculation, rather than the segregated fee calculation.

Regent Crain asked if there was any estimate on the number of students that might drop out due to the tuition increase, and Ms. Harris replied that there was no information on that point, but that the tuition increase would be half that of the preceding year.

In response to a question by Regent Davis, Ms. Harris indicated that tuition and segregated fee increases at UW-Milwaukee for resident undergraduates would total \$389 and room and board increases would total \$366. She added that there is a great demand at UWM for more student housing.

Introducing the student portion of the presentation, David Glisch-Sanchez, Academic Affairs Director of United Council of UW Students, read a statement from Beau Stafford, President of United Council, who expressed regret that he was unable to

attend due to work commitments and urged the Board to consider student interests in setting tuition levels for the coming year.

Guillermo Cuautle, Vice President of United Council, remarked that higher education is seen increasingly as a private benefit instead of a public good. Asking the Board to reduce the tuition increase to 3%, he commented that, without a college education, people are restricted in what they can do to build a better Wisconsin and that higher education leads to more civic responsibility, lower crime rates and greater economic benefit to the state.

Sheila Evanoff, a UW-Manitowoc student transferring to UW-Madison, referred to her own life experience as demonstrating that freedom from poverty and hopelessness can be achieved by a college education. Stating that it has been very difficult for her to afford college so far, she worried that it would not be possible to pay the bills for the fall semester. Noting the declining number of low and middle income students in the UW System, she remarked that Wisconsin families are being locked out of college and urged the Board to keep tuition low.

Cedric Lawson, a UW-Madison student, told the Board that he already had left school because of the increase in cost. As a student from a middle income family, he did not qualify for financial aid grants, making the tuition bottom line the determining factor in whether or not he could afford to attend. As a student, he had been a writing fellow who tutored his peers, vice-chair of the Associated Students of Madison, and coordinator of a number of campus programs concerning campus climate and the experience of students of color. Remarking that quality and access are inherently linked, he closed by quoting from *Equity and Excellence in American Higher Education*: “The quality of the campus learning environment – both in the classroom and outside it – is improved for everyone when students from a wide variety a backgrounds are present.”

Camille Sanchez-Ovadal, a student at UW-Waukesha, commented that the UW has already become inaccessible to many students and that a tuition increase would only make matters worse. Commenting that investing in the university benefits the public as a whole, she referred to her own story as an example of why that is true. A victim of domestic abuse, she left her husband and has been trying to raise a young child while attending college. She wished obtain a degree in order to become a nurse and use her skills in an area of growing need, so that she would be benefiting society, rather than having to rely on public assistance. She feared that another tuition increase might prevent her from achieving that goal.

In discussion following the presentations, Regent Rosenzweig commended the students for their comments and thanked them for putting a human face on the tuition issue. She expressed concern, however, that holding the increase to 3% would harm access by depriving students of needed faculty and services.

Commending the students for clearly articulating the problem, Regent Burmaster asked if they would support enrollment caps as part of the solution. Replying in the negative, Mr. Cuautle said that students do not want access to be curtailed and that they would be willing to pay less for less.



Regent Bradley asked if the Legislative actions were not telling the university that, unless it would be willing to sacrifice quality, it would be necessary to make the UW System smaller.

Regent Salas asked what effect a cap on enrollment might have on students of color and low-income students.

Mr. Glisch-Sanchez commented that these students probably would be disproportionately disadvantaged because they tend to apply later than other students and stated that United Council could not support an enrollment cap.

Regent Connolly-Keesler pointed out that impacts of a cap would need to be studied to determine how such students would be affected and whether there would be available seats at the UW-Colleges or other campuses.

Regent Crain asked if settling for less would mean that students would be willing to settle for degrees with less value.

Stating that quality and access are connected, Mr. Glisch-Sanchez noted that already some companies do not recruit UW graduates because of lack of diversity on campuses.

Regent President Walsh pointed out that, even with the proposed tuition increase, students would be receiving less in the way of educational offerings and services.

The Board then heard presentations by UW-Green Bay Chancellor Bruce Shepard and UW-Oshkosh Chancellor Rick Wells on how their campuses were addressing the challenges of budget reductions.

Beginning his presentation, Chancellor Shepard explained that a hurricane metaphor was chosen because that is what the budget reductions felt like on campus. Hurricane 1, the budget reductions for the 2003-05 biennium caused \$2.1 million in damages at UW-Green Bay. To cope, people pulled together to make the reductions, and stayed focused on advancing the university's mission, with the promise of a brighter future once the storm passed.

Then Hurricane 2 arrived unexpectedly, requiring the university to prepare for another \$1.3 million cut in the Governor's proposed budget. While keeping the campus together fiscally was the obvious problem, he remarked, keeping it together psychologically and spiritually was even more problematic. To make these cuts, the university's process was inclusive, fully respectful of shared governance, and guided by principles collegially agreed upon.

Although UW-Green Bay's total budget is \$73 million, he explained, most of that is in gifts, grants, and auxiliaries – funds provided for specific services. All of the cuts had to be made from \$20 million in GPR/tuition, with instruction being protected. Included in that total is funding for libraries, student computer labs, career placement, counseling services, advising services, business services, diversity programs, retention initiatives, snow removal, building maintenance, mail delivery, police services, and health services.

In making those cuts, the following areas were protected:

- 100% of instructional capacity
- Direct student support services
- Direct academic support services
- Campus safety
- Facilities services
- Plan 2008 commitments.

Then, the chancellor continued, after students were admitted and contractual obligations made to faculty and staff, came Hurricane 3 – twice the size of Hurricane 2 and hitting even as the biennium has begun. Stating that he did not know how the university could address it fiscally or mentally, he pointed out that it would no longer be possible to hold harmless those mission critical functions that had been protected in the last round of cuts.

In response to a question by Regent Loftus, Chancellor Shepard indicated that the budgeted enrollment was 4500 FTE students and that the number had not increased from the preceding year.

Chancellor Wells began his remarks by noting that in 2004-05 tuition exceeded state funding as a share of UW-Oshkosh's budget for the first time. The Governor's budget would have cut \$2.6 million; the Joint Finance Committee budget increased the cut to \$3.6 million; and the Senate budget increased it to \$5.2 million.

With a \$9.3 million cut, including \$6.7 million in the past biennium and \$2.6 million in the Governor's budget, the university was committed to protecting instruction and continued to grow enrollments through such measures as increasing class size. With the additional \$2.7 million reduction in the legislative budget, he continued, instruction could no longer be protected, and would result in a reduction, for spring of 2006, of 6,600 seats in the classroom, which would be equivalent to serving 1400 fewer FTE students. This would be accomplished primarily by freezing new spring enrollments and would impact continuing students by increasing class size further and by decreasing the average credit load per student. The impact would continue into 2006-07 through decreased enrollments, increased time to degree, cost to students and debt load upon graduation.

In discussion following the chancellors' remarks, President Reilly asked if Chancellor Wells' figures assumed a 6.9% tuition increase; and the chancellor replied in the affirmative.

In response to a question by Regent Axtell, Chancellor Wells indicated that a \$500,000 loss in tuition revenues also was anticipated for 2005-06 due to loss of enrollments.

Regent Pruitt asked what the impact would be if the \$34 million Senate cut were restored, to which Chancellor Wells replied that the reduction would be \$600,000 in 2005-06 and another \$400,000 in 2006-07, continuing in future years. Chancellor

Shepard added that, for UW-Green Bay, the Senate added \$816,000 to the Joint Finance Committee cut of \$1.2 million for the biennium.

Regent Loftus asked if the UW had asked for enrollment caps, to which President Reilly replied in the negative. Chancellor Shepard added that students were admitted on the basis of the Governor's proposed budget. Noting that this is the second biennium of large budget cuts, Chancellor Wells indicated that the Governor's budget would have added faculty. The university's effort was to protect instruction and enrollments were set accordingly. The legislative budget, however, could not be implemented without a negative impact on enrollments.

Regent Loftus pointed out that the UW has grown by 12,000 students over a short period of time. Noting that the Governor and legislative leaders have a difficult job, he did not believe that either party wished the university harm. From his time in the Legislature, he recalled that legislators had good relationships with university leaders, which was helpful in difficult fiscal situations. Developing such relationships, he remarked, requires diplomacy on the part of leaders both in the university and in the Legislature.

With 136,000 FTE students and plans to grow further, the UW did not act like a system in crisis, Regent Loftus observed, suggesting that a pause may be needed to see if that many students can be given a quality education with available resources. In 1986, he recalled, it was decided that the university could not educate that number with quality; and the UW shrank accordingly.

Concurring that it is important to consider both quality and what the state can afford, President Reilly indicated that there is convincing evidence that states with larger proportions of college educated residents are the ones that will prosper. It would be necessary, he said, to make the case that the UW should grow in order to produce those graduates and that this could not be accomplished with the money currently available.

Regent Davis asked the chancellors about trends in enrollment of low-income students and the impact of legislative budget actions on their enrollment.

Chancellor Shepard replied that UW-Green Bay had experienced a 50% reduction in first generation college students this fall, due primarily to steep tuition increases. However, he pointed out that, since 80% of students are from upper income levels, four out of five dollars in lower tuition benefits those students. Therefore, he considered financial aid to be the most efficient way to help lower income students. Chancellor Wells concurred that cuts in financial aid would hurt first generation college students.

Regent Davis noted the deterrent effect on low-income families of sticker shock from higher tuition levels.

In response to a question by Regent Bradley, Chancellor Wells indicated that it would not be possible to fulfill the desire to produce more graduates with declining resources and still maintain quality education.

Regent Bradley noted that loss of student enrollments has the additional impact of reducing tuition revenues and that GPR and tuition are the only sources of support for instruction. He inquired about the impact on enrollment if the tuition increase were to be

less than 6.9%. In response, Chancellor Wells commented that the impact would be negative because it would result being unable to serve additional numbers of students.

In reply to a further question by Regent Bradley, Chancellor Shepard observed that, with the 6.9% increase, students would pay more for somewhat less, whereas, with United Council's requested 3% increase, they would be paying less for a lot less.

Regent Crain observed that maintaining access also means access to student support services, to classes and to quality teaching, all of which are important in student retention.

Chancellor Shepard added that the university could only grow in areas that are able to recover full cost from fees.

President Reilly commented that, while approving the budget would provide some helpful and needed direction to students, their families, and UW campuses, it would not provide the kind of academic quality and service that students deserve. He asked that everyone join in continuing to impress upon legislators and the Governor the need for the state to provide enough funding to support student success.

Wisconsin cannot be competitive in the information age, he remarked, unless the university is used to produce more graduates, to attract more graduates from other states and to create economic opportunities that would hold that critical mass of talent. The choice is either to reinvest in the university to unleash its brain gain capacity or to become a brain drained state.

Because of this stark choice regarding the university's and the state's future, he was pleased that the Board and elected leaders had joined in a call for a statewide commission on the future of the UW to work toward a consensus on what the people of Wisconsin want from their public university system in the 21<sup>st</sup> century and how they will support it.

The meeting was recessed at 12:15 p.m. and reconvened at 12:25 p.m.

Adoption of the following resolution was moved by Regent Smith and seconded by Regent Spector:

**2005-06 Operating Budget including Rates for Academic Tuition, Segregated Fees, Textbook Rental, Room and Board, and Apartments; Academic Tuition Refund Policy and Schedule; and Revised Decision Rules**

Resolution 9039: That, upon the recommendation of the President of the University of Wisconsin System, the 2005-06 operating budget be approved, including rates for academic tuition, segregated fees, textbook rental, room and board, and apartments; the tuition refund policy and schedule; and revised decision rules as attached in the document 2005-06 Operating Budget and Fee Schedules, July, 2005. The 2005-06 amounts are:

GPR	\$991,440,842	24.05%
<u>Academic</u>	<u>\$859,895,254</u>	<u>20.86%</u>
<u>Tuition</u>		
Total GPR/Fees	\$1,851,336,096	44.91%
<u>Other</u>	<u>\$2,271,244,904</u>	<u>55.09%</u>
Total	\$4,122,581,000	100.00%

That the President of the UW System is authorized to approve funding changes resulting from final enactment of the 2005-07 biennial budget and make detailed allocations to reflect gubernatorial action, and further.

That, if necessary, the Executive Committee of the Board of Regents is authorized to approve changes in tuition rates as the result of Joint Committee on Employee Relations (JCOER) action.

Regent President Walsh advised that he did not intend to use the Executive Committee unless necessary and then only for routine and specific matters. In response to a question by Regent Randall, he said that all regents would be notified of any Executive Committee meetings.

Regent Spector noted that Executive Committee authority in the resolution would be of a limited nature.

Stating his concern about making tuition affordable for students in the two lowest income quintiles, Regent Salas moved that the resolution be amended to take \$11 million from the tuition increase to fund financial aid; and the motion was seconded by Regent Randall.

In response to questions by board members, General Counsel Brady advised that the board would not have authority to transfer funding to the Higher Educational Aids Board.

In view of that advice, Regent Salas withdrew his motion, with consent by Regent Randall, but stated that he could not vote for the budget resolution if the financial aid problem could not be addressed.

Noting that both chancellors and students had spoken eloquently about the issues, Regent Davis stated that one side should not be pitted against the other and that she was very uncomfortable with what the legislative budget asked the board to do. As a regent, she felt that her job should be to help ensure that all students who wanted higher education could have access to it, including all aspects of diversity.

Regent Salas stated that he did not want to be responsible for increasing tuition by 50% over a short period of time and that he considered it his responsibility to vote against the budget for that reason. He asked if there was not something creative that could be done to address the situation.

Regent Semenas stated that the UW is a great university system and that students should not have to pay to receive less. Referring to the need for student access and campus diversity, he felt that many could not afford the proposed 6.9% tuition increase. He agreed that the legislative budget was difficult and thought that every effort should be made to persuade legislators to change it. Noting that the financial aid in the Governor's budget had been removed by the Joint Finance Committee, he commented that students should not be made to drop out of school and work because tuition had become unaffordable. While he understood the dilemma facing the university, he said that he could not support the budget.

Regent Loftus stated that he would vote for the budget with the expectation that there would be serious and frank discussion about the consequences of growing enrollment with the state's limited resources. He believed that there would be better times ahead and urged that strong efforts be made to improve legislative relationships.

Regent Rosenzweig pointed out that many regents wanted tuition increases held below 5% and that the board had asked for financial aid to help lower income students pay for it. However, the board now had to deal with the reality of the budget as approved. Noting that the alternative to the proposed tuition increase would be cutting faculty, services and courses even further, she said that she would vote for the budget, unhappily, because she felt there was no other choice. In the future, she continued, there needs to be discussion and fence mending with the public at large, as well as with the Legislature and the Governor, because university will need their help to move forward.

Regent Crain remarked that, while the vote was anguishing for everyone, she decided to support the budget because to do otherwise would also limit student access in many ways. She concurred that there is much work to be done to garner public and legislative support.

Agreeing with the sense of frustration expressed by others, Regent Pruitt said that he would vote for the budget not because he wanted to but because he needed to. He pointed out that the distractions that had recently occurred took attention away from the students who need financial aid and from the importance of investing more in education than in prisons.

Regent President Walsh remarked that the greatest challenge is to effectively communicate the university's great value to the state. Agreeing that the budget dealt the university a harsh hand, he concurred that financial aid is a first priority that must be restored.

After conclusion of discussion, the question was put on Resolution 9039 and it was adopted on a roll call vote, with Regents Axtell, Bradley, Connolly-Keesler, Crain, Loftus, Pruitt, Rosenzweig, Smith, Spector, and Walsh (10) voting for the resolution and Regents Burmaster, Davis, McPike, Randall, Salas, and Semenas (6) voting against it. Regent Bradley stated that his vote for the budget was made because of assurance of the commitment to restore student financial aid.

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## **ADDITIONAL RESOLUTIONS**

### **Amendments to Bylaws of the Board of Regents**

Regent President Walsh advised that the first amendment would expand the size of the Executive Committee to include two additional members. The purpose is to be transparent and to avoid any unintended quorums of the committee.

The second amendment would clarify that the president and vice president of the board, as ex-officio members of all committees, are not counted in determining the number required for a quorum, but may be counted in determining that a quorum is present.

Adoption of the first amendment was moved by Regent Randall, seconded by Regent Rosenzweig and carried on a unanimous voice vote.

Adoption of the second amendment was moved by Regent Smith, seconded by Regent Axtell and carried on a unanimous voice vote.

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### **UW-Extension: Approval of Design Report and (a) Authority to Construct the Lowell Hall Parking Structure Project, (b) Increase the Project Scope and Budget, and (c) Request Merger with the Lowell Hall Improvement Project**

Adoption of the following resolution was moved by Regent Axtell, seconded by Regent Davis, and carried on a unanimous voice vote:

Resolution 9040:           That, upon the recommendation of the UW-Extension Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to: (a) construct the Lowell Hall Parking Structure project, (b) increase the project scope and budget by \$166,400 Program Revenue-Cash for a total estimated project cost of \$1,153,200 Program Revenue-Cash, and (c) request that the Division of State Facilities merge this project with the Lowell Hall Improvement project for bidding economies.

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### **UW System: Authority to Construct Maintenance and Repair Projects**

Regent Davis moved adoption of the following resolution. The motion was seconded by Regent Bradley and carried on a unanimous voice vote.

Resolution 9041: That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to: (a) construct maintenance and repair projects at an estimated total cost of \$402,700 Program Revenue Supported Borrowing–Facilities Maintenance and Repair funds and (b) permit the Division of State Facilities (DSF) to adjust individual project budgets.

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**Cancellation of August 2005 Board of Regents Meetings**

The following resolution, moved by Regent Randall and seconded by Regent Bradley, was adopted on a unanimous voice vote

Resolution 9042: That the Board of Regents meetings scheduled for August 18 and 19, 2005, be cancelled.

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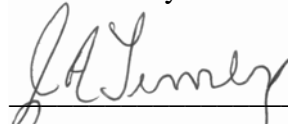
**CLOSED SESSION**

The meeting was recessed at 1:05 p.m. and reconvened at 1:10 p.m., at which time the following resolution, moved by Regent Bradley and seconded, was adopted on a unanimous roll-call vote, with Regents Walsh, Spector, Smith, Semenas, Salas, Rosenzweig, Randall, Pruitt, McPike, Loftus, Davis, Crain, Connolly-Keesler, Burmaster, Bradley, and Axtell (13) voting in the affirmative. There were no dissenting votes and no abstentions.

Resolution 9043: That, the Board of Regents recess into closed session to confer with legal counsel concerning pending or potential litigation, as permitted by s.19.85(1)(g), *Wis. Stats.*

The meeting was adjourned at 1:25 p.m. There were no closed session actions to report.

Submitted by:



Judith A. Temby, Secretary