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

April 27, 2005

TO: Each Regent

FROM: Judith A. Temby

PUBLIC MEETING NOTICE

RE: Agendas and supporting documents for meetings of the Board and Committees to be held at UW-Stout in the Memorial Student Center, 302 10th Avenue, Menomonie, WI, on May 5 and 6, 2005.

Thursday, May 5, 2005

9:30 a.m. –

- UW-Stout Campus Tour
- Student Art Exhibition – Micheels Hall

11:00 a.m. – Luncheon – Memorial Union

1:00 p.m. – Joint meeting of the Education Committee and the
Business and Finance Committee
Memorial Student Center, Ballrooms B/C

1:00 p.m. . – Physical Planning and Funding Committee
Memorial Student Center, Northwoods Room

1:30 p.m. . – Education Committee reconvenes
Memorial Student Center, Ballrooms B/C

Business and Finance Committee reconvenes
Memorial Student Center, Ballroom A

Friday, May 6, 2005

9:00 a.m. – Board of Regents
Memorial Student Center, Ballrooms B/C

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

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

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

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BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I. Items for consideration in Regent Committees

1. Education Committee - Thursday, May 5, 2005
Memorial Student Center
University of Wisconsin-Stout

9:30 a.m. UW-Stout Campus Tour

9:30 a.m. Student Art Exhibition – Micheels Hall

11:00 a.m. Luncheon – Memorial Student Union

- UW-Stout and Area Business Partnerships Showcase

1:00 p.m. Joint Meeting of the Education and the Business & Finance Committees

- The University of Wisconsin Medical School, The Wisconsin Partnership Fund for a Healthy Future: First Annual Report
[Resolution I.2.a.]

1:30 p.m. Education Committee – Ballrooms B/C

a. Approval of the minutes of the April 7, 2005, meeting of the Education Committee.

b. Announcement of the proffer from the Trustees of the William F. Vilas Trust Estate for support of scholarships, fellowships, professorships, and special programs in arts and humanities, social sciences and music.
[Resolution I.1.b.]

c. Board of Regents Health Policy Revision (RPD 78-9): the Basic Health Module.
[Resolution I.1.c.]

d. Elimination of the College of Education, Exercise Science, Health & Recreation, UW-La Crosse.
[Resolution I.1.d.]

e. Report of the Senior Vice President for Academic Affairs:

(1) The New Pedagogy: How Learning Occurs at UW-Stout;
(2) Reflections from an Outgoing Faculty Rep - Sue Harrison, UW-Eau Claire;
(3) Follow-up on Submission Process for Annual Minority & Disadvantaged Student Report and Sexual Assault and Sexual Harassment Report.

Additional items:

f. Additional items that may be presented to the Education Committee with its approval.

EDUCATION COMMITTEE

Resolution I.1.b.:

That, upon recommendation of the Chancellors of the University of Wisconsin-Madison and the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents accepts the proffer made by the Trustees of the William F. Vilas Trust Estate for fiscal year July 1, 2005 to June 30, 2006, as provided by the terms of the William F. Vilas Trust, for Support of Scholarships, Fellowships, Professorships, and Special Programs in Arts and Humanities, Social Sciences, Biological Sciences, Physical Sciences and Music.

ANNOUNCEMENT OF THE PROFFER FROM THE TRUSTEES OF THE WILLIAM F. VILAS TRUST ESTATE FOR SUPPORT OF SCHOLARSHIPS, FELLOWSHIPS, PROFESSORSHIPS, AND SPECIAL PROGRAMS IN ARTS AND HUMANITIES, SOCIAL SCIENCES AND MUSIC, AND A SPECIAL CONSTRUCTION FUND

EXECUTIVE SUMMARY

BACKGROUND

The terms of the Deed of Gift and Conveyance of the estate of William F. Vilas, subsequently validated and accepted by an act of the Legislature of Wisconsin, provides in part that the Trustees of the Estate may proffer in writing to the Board of Regents funds for the maintenance of scholarships, fellowships, professorships, with their respective auxiliary allowances, and other like endowments specifically enumerated, defined, and provided for by the Deed.

At the beginning of each calendar year, the Trustees of the William F. Vilas Trust Estate formally request that the President of the UW System ask the Chancellors of UW-Madison and UW-Milwaukee to determine from the Vilas Professors the amounts they will request for special project allowances for the ensuing academic year and to obtain from the Chairs of the UW-Madison and UW-Milwaukee music departments their programs and requests for the next year. In addition, the Chancellor of UW-Madison is asked to determine the number of scholarships, fellowships, Vilas Associates, and any other initiatives to be requested.

The Board of Regents approved the UW-Madison and UW-Milwaukee requests at the April, 2005, meeting; following approval, President Reilly sent the formal request to the Trustees. The Trustees determine the amount of income that is available for the various awards (particularly for music, which varies with the value of the trust) and respond with a proffer of funds, which is included in the following document.

REQUESTED ACTION

Approval of resolution I.1.b., accepting the proffer from the Trustees of the William F. Vilas Trust Estate.

DISCUSSION

The attached document contains the Vilas Trustees' proffer detailing how the funds may be expended. It has several components: (a) continuation of Trustee-approved programs for funding of Vilas Research Professorships, retirement benefits, scholarships, and fellowships ($3,426,057.00); (b) support of one-time only requests for (1) additional undergraduate scholarships and fellowships; and (2) the Vilas Life Cycle Research Allowances, all at UW-Madison ($2,507,200.00); (c) approval of the request from UW-Madison that, pursuant to Article 5 of the Deed of Gift and conveyance, one-half the annual net income be allocated to a special construction fund for the research facility of the BioStar program, identified as the Microbial Sciences Building ($6,574,170.55); (d) support for the “2003-2004 Guest Artists” program at the UW-Madison School of Music ($25,850); (e) support for the "Celebrating the Creation and Performance of Contemporary Music" program, UW-Milwaukee ($18,490).

Supporting material for Agenda Item I.1.b., Acceptance of the Proffer from the Trustees of the William F. Vilas Trust Estate, may be obtained by contacting the Board of Regents Office.

Phone: 608-262-2324
Fax: 608-262-5739

EDUCATION COMMITTEE

Resolution I.1.c.:

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the revisions to Regent Policy Document 78-9, the Basic Health Module.

REVISION TO BOARD OF REGENTS HEALTH POLICY: THE BASIC HEALTH MODULE

EXECUTIVE SUMMARY

BACKGROUND

In 2002, the UW System Office of Operations Review and Audit issued a report based on an audit of all UW System Health Services. The audit was conducted to assess compliance with the Board of Regents Policy Document 78-9, the Basic Health Module. The final report concluded that the policy document was woefully outdated and did not address the contemporary health care issues and needs facing current students. The report recommended that the document be revised to reflect current health services needs and practices at UW System institutions. Since the report was issued, Health Service Directors throughout the UW System have worked to revise the policy, resulting in a total revision of the original policy document. Throughout the revision process, the Health Services Directors consulted with the Chief Student Affairs Officers at their institutions to incorporate their ideas and concerns.

REQUESTED ACTION

Approval of resolution I.1.c., approving the revision to the Board of Regents Health Policy Document 78-9, the Basic Health Module.

DISCUSSION

The University of Wisconsin System recognizes that the present and future health of its students is among the most precious of its public resources. Students' most pressing health concerns influence academic achievement and affect civility, citizenship, and connectedness. Attention to important health issues permits the university to educate and prepare learners as whole human beings.

The revised Regent Policy Document 78-9 delineates a basic module of the minimum level of health care services that must be available to students at each of the UW System four-year institutions. Essential to the acceptance of the basic module is the continuation of the principle that institutional self-determination with respect to levels of health care will continue. The Board of Regents does not prescribe the manner in which the basic module of services will be provided or made available. The characteristics of each institution, the community where it is located, and characteristics of the student body will result in a variety of strategies for providing the services.

The revised policy covers services to be provided and available at four-year UW institutions in the following areas: Clinical (Medical and Nursing); Mental Health and Counseling; Public Health; Health Education, Health Promotion, and Prevention Services; and Access to Affordable and Sufficiently Comprehensive Health Insurance. The revised policy also reviews criteria for Quality Management and Improvement, and Funding Options and Strategies for the provision of health services to students.

The revised document brings Regent policy into alignment with current institutional practice. Health Services at UW System institutions have worked hard to stay current with changing medical and health care practice, needs, and requirements. The revised policy does not require additional services by institutions, nor does it change existing funding options. Rather, it updates Regent policy to reflect what institutions are already doing.

RELATED POLICIES

Resolution 1797 adopted 12/8/78; with 1984 amendments.

Basic Health Module

Introduction

The University of Wisconsin System recognizes that the present and future health of its students is among the most precious of its public resources. Students' most pressing health concerns influence academic achievement and affect civility, citizenship, and connectedness. Attention to important health issues permits the university to educate and prepare learners as whole human beings.

The American College Health Association's *Guidelines for a College Health Program* states that:

Although institutions differ in size and scope of services, there are universal concepts that impact upon the provision of health promotion, health protection, disease prevention and clinical care to college students. Current sociological trends, high-risk identification, public health issues, health care finance reform and changes in preventive medicine have broad institutional implications. College health programs have a unique opportunity to help meet those new challenges. (ACHA, 1999)

To this end, in this document the Board of Regents delineates a basic module of the minimum level of health care services that must be available to students at each of the UW System four-year institutions. Essential to the acceptance of the basic module is the continuation of the principle that institutional self-determination with respect to levels of health care will continue. Determination of the level of services to be provided above this basic module will be the responsibility of the Chancellor of each institution. Recommendations for increases above the level established by the Chancellor will be made by appropriate institution governance groups for consideration by the Chancellor and the Regents.

The Board of Regents does not prescribe the manner in which the basic module of services will be provided or made available. The characteristics of each institution, the community where it is located, and characteristics of the student body will result in a variety of strategies for providing the services. Components of the basic module may be the primary responsibility of the institution's health service. The responsibilities may be distributed across a variety of institution offices. Some services may be contracted out to community service providers. Coordination and collaboration among service providers – institution or community - is critical. It is expected that the basic module of services will be readily accessible (physically and financially) and will meet accepted standards for quality.

The institution service providers must have the appropriate resources including space and personnel. The staff are expected to model ethical and professional standards, and have the appropriate professional and educational credentials and skills as determined by the institution. They should have access to and utilize outside resources or consultation to augment programming. Ongoing participation in continuing education programs should be an expectation.

Services to be provided/available

Clinical (medical and nursing) Services

Clinical Services should include easily accessible medical care for evaluation and treatment of health related concerns, injuries, and illnesses. These services should include diagnosis, treatment, and follow up care for acute illness, chronic illness, and injury. Prevention of illness to include individual health counseling and instruction in self-care should be an essential component of the clinical visit. Physical examinations for well women's and well men's care, sexually transmittable infection screening, immunizations, and travel health consultation should be available.

Students should be informed participants in all of their health care decisions. Educating students regarding health care utilization and discussion of insurance issues should be incorporated into clinical care visits as appropriate.

After hours care, emergency services, and hospitalization should be accessible to students as needed. Mechanisms for providing pharmaceutical, laboratory, imaging, surgical, physical therapy, dentistry, and overnight care services should be determined by each individual institution. At a minimum, these services should be available by referral mechanisms.

Mental Health and Counseling Services

Mental health is a critical factor in student success. Ongoing psychological or emotional distress can significantly disrupt student academic progress. Each institution should provide counseling services sufficient to address the developmental needs of students as well as respond to unexpected crises. Services should reflect a brief psychotherapy model and be provided by trained mental health professionals, e.g., psychologists, social workers, counselors.

Services should include an educational component geared to helping students develop effective self-care and adaptive skills. Psychiatric evaluation and medication management should be available and accessible. Communication between the institution's health and counseling services is essential to assure coordination and continuity of care for student patients/clients. Counseling services should develop and maintain referral sources for students with psychological disabilities that require long-term care.

Public Health

The institutions of the UW System exist both as discrete communities and as components of the larger community where they are located. Protecting the health of members of the institution's community requires a robust institutional public health surveillance infrastructure that will address 1) communicable disease surveillance/prevention through disease identification and reporting, epidemiologic investigations, screening programs, immunization programs, and plans/procedures for quickly responding to disease outbreak situations; and 2) issues of environmental health and safety including food safety, air quality, waste disposal, pest control, and water quality including swimming pool inspections.

Each institution's health service should play a role in addressing the core functions of public health, including assessing the health related needs of the campus, supporting policies that

promote and protect the health of the campus community, and collaborating with other institution departments to assure that needs are addressed.

The institution, usually through its health service, should have strong collaborative relationships and agreements (delineating roles and responsibilities) with local (city and/or county) public health agencies. Institution health services should provide the critical link to these agencies. Each institution's health and counseling services should be active participants in the institution's crisis response planning.

Health Education, Health Promotion, and Prevention Services
A primary role of the institution's health service is to provide health education that informs students of the effects of current behavior on future health status. There should be an emphasis on how current behavior affects their learning environment, their performance at the university, and their ultimate quality of life. Providing a healthy environment that supports wellness behaviors, promotes healthy lifestyle choices, and provides health education is consistent with the mission and goals of higher education.

Health education is both a process and a program. Health service professionals should use every student contact as an opportunity to address key health indicators from a variety of contexts. Institution health services have the opportunity to promote positive attitudes, healthy lifestyles, and responsible self-care. Students should be encouraged to become active participants in promoting and protecting their health and wellbeing.

A systematic assessment of the target population's needs should provide direction and highlight the most significant areas needing attention and prevention efforts. Including students as active participants in the process of identifying needs enhances the possibility of success. The American College Health Association document, *Healthy Campus 2010* (modeled after the nationally recognized document, *Healthy People 2010 and updated every ten years)*, identifies a number of high priority issues for campus settings. Health education/health promotion/prevention activities should address these significant issues:

- Alcohol and other drugs
- Sexual health
- Social and emotional health
- Coping with stress in competitive education environments
- Intentional and unintentional injury
- Nutrition
- Psychological relationships to food
- Health services costs and availability of insurance
- Links between campus health services and other academic and service departments

Programming and services should use a variety of screening foci, sites, and methods, e.g. one-on-one encounters, informal group or formal classroom sessions, co/sponsored theme health events, or programming by trained Peer Health Educators who share their skills with fellow students. Methods should be developed for evaluating the quality and effectiveness of programming and services.

Access to affordable and sufficiently comprehensive health insurance
Access to the full range of health care services that students might require during their academic experience requires adequate health insurance coverage. Institutions must provide access to a university sponsored health insurance plan that is reasonably priced. The plan must compliment the health services provided by the institution. When feasible, collaboration among institutions to develop a common plan is encouraged. Each institution's health service should take a leadership role in selecting the plan and communicating its importance to students and their families. Institution health services should encourage all students to have comprehensive, affordable health insurance.

Quality Management and Improvement
The University of Wisconsin System is committed to the principles of quality management and improvement and expects institutions to apply these principles in providing health services to students. Each institution health service providing services to students should use the American College Health Association *Guidelines for a College Health Program* as the model for designing and organizing services. Additionally, institution health services are encouraged to seek formal accreditation by a national health care accrediting organization such as the Accreditation Association for Ambulatory Health Care (AAAHC). Absent formal accreditation, institution health services should seek periodic external review of their programs and services.

Institution health services are expected to have or participate in a quality management program that includes a process for credentialing and privileging of providers and other professional staff, a system of peer review for providers, ongoing systems for assessing/evaluating utilization and patient/client satisfaction, and a quality improvement program addressing clinical care issues, administrative concerns, and cost of care issues.

Funding Options and Strategies
Existing University of Wisconsin System and Board of Regents policies delineate the acceptability of several options for funding the provision of health services to students. Student segregated fees are the preferred primary funding source for student health services and health education/wellness programs (*Student Services Funding – G15*). General program revenue funding (GPR) and fee-for-services funding are deemed acceptable. General program revenue is the preferred primary funding source for counseling services including personal individual, group, crisis intervention, and AODA counseling; outreach and prevention; and consultation with faculty and staff regarding student problems (*Student Services Funding – G15*). Most campuses will use a combination of these three funding sources. Students should play an important role in determining the balance between segregated fee and fee for service funding. There should be a goal of keeping student out of pocket costs at a minimum. It is important to limit out of pocket expenses so that cost will not be a barrier to students receiving necessary health care services.

Financial and Administrative Policy, *Segregated Fee Expenditures – F20*, specifically describes appropriate categories of segregated fee expenditures for the operations and activities of institution health services. These include salaries for staff including student staff, professional services, facilities/equipment/supplies/services, organizational membership fees, and debt service

reduction. Regent Policy Document 90-3, *Funding of University Facilities Capital Costs*, specifically prohibits the use of segregated fees as a source of funding for the construction of student health service facilities. GPR funding is the prescribed funding source for construction of student health service facilities. Gift funds are an allowable/acceptable source.

References

American College Health Association, Standards Revision Work Group. *Guidelines for a College Health Program*. Baltimore: American College Health Association, 1999.

American College Health Association. *Healthy Campus 2010 Manual*. Baltimore, MD: September 2002.

U.S. Department of Health and Human Services. *Healthy People 2010. 2nd Edition*. Washington, DC: US Government Printing Office, November 2000.

November 17, 2004

EDUCATION COMMITTEE

Resolution I.1.d.:

That, upon recommendation of the Chancellor of the University of Wisconsin-La Crosse and the President of the University of Wisconsin System, the College of Education, Exercise Science, Health and Recreation be eliminated.

ELIMINATION OF THE UNIVERSITY OF WISCONSIN – LA CROSSE COLLEGE OF EDUCATION, EXERCISE SCIENCE, HEALTH & RECREATION (APPROVAL)

EXECUTIVE SUMMARY

BACKGROUND

Academic Information Series 1. revised, requires that any request to "establish, rename, or eliminate a College, School, or Division" receive Board approval. The University of Wisconsin-La Crosse requests approval to eliminate the College of Education, Exercise Science, Health and Recreation, effective June 30, 2005.

The elimination has been recommended by Chancellor Douglas Hastad in response to administrative budget cuts required for the 2005-07 biennium. The action will eliminate the Dean and Associate Dean positions, which are currently vacant. The four academic departments within the College will remain intact but will report to different Colleges and Deans at UW-La Crosse. The Department of Educational Studies and the School of Education will report to the Dean of the College of Liberal Studies. The other three departments—Exercise and Sport Science, Health Education and Health Promotion, and Recreation Management and Therapeutic Recreation—will report to the Dean of the College of Science and Allied Health.

REQUESTED ACTION

Approval of Resolution I.1.d., authorizing the elimination of the UW-La Crosse College of Education, Exercise Science, Health & Recreation.

RELATED POLICIES

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

FOLLOW-UP ON SUBMISSION PROCESS FOR ANNUAL MINORITY AND DISADVANTATED STUDENT REPORT AND SEXUAL ASSAULT AND SEXUAL HARASSMENT REPORT

EXECUTIVE SUMMARY

BACKGROUND

Each April, the Board of Regents approves two statutorily required reports: the Minority and Disadvantaged Student Annual Report, which fulfills the requirement in Section 36.25 (14m)(c) Wisconsin Statutes that the Board of Regents report annually on its pre-college, recruitment, and retention plan for multicultural and economically disadvantaged students; and the annual Sexual Assault and Sexual Harassment Report, as required by Section 36.11(22)(b), Wisconsin Statutes, which requires the Board of Regents to report annually on the methods each UW System institution uses to disseminate information to students on sexual assault and sexual harassment.

In approving the two reports at its April, 2005, meeting, the Board of Regents Education Committee requested that the transmittal letters accompanying the two reports include an expression of Regent concern that Wisconsin's current budget environment is having an adverse impact on the work and activities documented in the two statutorily required reports. The Committee asked that the expanded cover letters be shared at the May, 2005, Board of Regents meeting.

REQUESTED ACTION

No action requested at this time.

DISCUSSION

The topics covered by both the M & D Report and the Sexual Assault and Sexual Harassment Report are sensitive areas to which UW System and the institutions have devoted significant time and resources. State and federal support for the programs and activities covered in these reports has been essential to their successful undertaking. In the current budget environment, both state and federal funding has become more precarious, thus jeopardizing the very programs that are statutorily mandated, and carried out with great dedication by UW System faculty and staff. Access, retention and graduation for students of color and economically disadvantaged students are imperiled by cuts in federal funding. Likewise, the effectiveness of programs to promote student health, safety, and the prevention of violence is impacted as UW institutions are required to make administrative cuts in response to continued budget setbacks.

The Board of Regents felt that it would be remiss in its stewardship responsibilities to simply approve and submit the two required reports without commenting on the impact of the budget on, and emphasizing the critical need for continued state funding of these programs.

DRAFT

May 10, 2005

TO: Robert J. Marchant, Senate Chief Clerk
Patrick E. Fuller, Assembly Chief Clerk

FROM: Toby Marcovich, President, University of Wisconsin Board of Regents

RE: Transmittal of Report pursuant to § 36.11(22)(2)(b), Wisconsin Statutes

Attached you will find the statutorily required annual report on sexual assault and sexual harassment and a transmittal letter from President Kevin P. Reilly. At our meeting of the Board of Regents on April 8, the members decided that we also wanted to communicate our thoughts upon considering and approving this report.

This year as we discussed this report, it highlighted for us the increasing dilemma faced by administrators, faculty, and staff at UW institutions. While financial and human resources have been cut due to reduced state support, the needs for campus wide educational efforts and for individualized assistance to victims of sexual violence have not lessened. In fact, in order to make our campuses safer and address the problems of sexual violence, our institutions have been working to educate the campus community in hopes that the number of victims willing to report and receive assistance will increase. While we hope our efforts will be effective, we worry that staff reductions of non-instructional student service providers and security or police officers may mean no one is present to help when students do step forward seeking assistance. We hold ourselves to high standards in providing support services for the safety and well-being of our students. Our interest is in ensuring resources from the state that will allow us to provide the quality and quantity of services that we know are necessary to offer prevention activities and reduce the incidence of sexual violence.

Many of the costs associated with student support services, such as those provided to students who are victims of sexual assault, are administrative in nature. We hope the legislature will keep in mind that the administrative cuts UW system has been asked to make directly impact student health, safety, and success.

Attachment

cc: Kevin P. Reilly, President
Vice Presidents
Ron Singer, Associate Vice President, Academic and Student Services
Larry Rubin, Assistant Vice President, Academic and Students Services
R. J. Binau, Department of Administration, University of Wisconsin Analyst
Robert Hanle, Department of Administration, Education Team Leader
Bob Lang, Legislative Fiscal Bureau, Director
David Loppnow, Legislative Fiscal Bureau, Education Team Leader
Janice R. Sheppard, Academic Planner
John Stott, Legislative Fiscal Bureau, University of Wisconsin Analyst

UNIVERSITY OF WISCONSIN SYSTEM

Office of the President

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April 14, 2005

TO: The Honorable Jim Doyle, Governor
Robert J. Marchant, Senate Chief Clerk
Patrick E. Fuller, Assembly Chief Clerk

FROM: Kevin P. Reilly, President

RE: Annual Minority and Disadvantaged Student Report, pursuant to Section 36.25 (14m)(c) of the Wisconsin State Statutes

Each April, the UW System submits the Annual Minority and Disadvantaged Student Report to the Governor and the Chief Clerk of each house of the Legislature, as required by Wisconsin Statutes. The 2003-04 Minority and Disadvantaged Student Annual Report fulfills the requirement in Section 36.25 (14m)(c) of the Wisconsin State Statutes that the Board of Regents report annually by April 15 on its pre-college, recruitment, and retention plan for multicultural and economically disadvantaged students. This is the sixth minority and disadvantaged student annual report under the Board of Regents-approved *Plan 2008: Educational Quality Through Racial and Ethnic Diversity*. The information contained in this report responds to the statutory requirement, and reflects some, but not all, of the initiatives and activities in Plan 2008. The report includes the following information:

- Summary information on pre-college initiatives and activities;
- Expenditures for student-of-color and disadvantaged-student programs; and
- Student financial assistance data.

At its meeting on April 8, 2005, the Board of Regents accepted the attached report for submission to the Governor and the Chief Clerk of each house of the Legislature for distribution to the appropriate standing committees under s. 13.172(3). The attached report fulfills the requirements of this statute.

As the UW System submits the 2003-04 report, we want to make some additional comments regarding both the content and the context of this document. The UW System takes very seriously its responsibility to provide access to quality public higher education for all Wisconsin citizens. This is especially true for the ethnic, racial, and financially disadvantaged groups who have historically been most excluded from the opportunity to pursue postsecondary education. Such exclusion has not only denied them the advantages of higher education, but it has also deprived the State of Wisconsin of

additional educated citizens who contribute to the state. Improving access and opportunity for minority and disadvantaged students is not only the right thing to do; it is also in the best interests of a state that lags behind its neighbors in terms of baccalaureate degree-holders, who contribute to the economic, social and cultural well-being of the state.

It is in this context that we would like to point out two areas of concern as we fulfill our statutory responsibility and submit the M & D report to the Governor and the Legislature:

1. Funding constraints due to state budget cuts; and
2. Uncertainty of federal funding for TRIO, Gear-Up and financial aid.

We recognize that the Governor and both houses of the Wisconsin Legislature have expressed their abiding commitment to funding core functions of the UW System. Yet we also know that continuous declines in state funding over the past several biennia have had a severe impact on UW institutions. That impact extends to our most vulnerable student and prospective student populations: students of color and economically disadvantaged students. Simultaneously, the threat of decreases in federal financial aid programs exacerbates the situation by posing greater challenges to UW institutions to provide access to all Wisconsin students and foster persistence, particularly for students of color and economically disadvantaged students. For the first time in decades, several UW institutions have lost their federal TRIO funding, and we worry about this ominous precedent. We are further concerned that other financial aid programs, most notably the Lawton and the AOP programs, on which UW System institutions depend to support their most under-represented students are also vulnerable.

As our nation and our state engage in debates about the role of government in the funding of higher education, we should not lose sight of the goals of American higher education to be a public good, funded by society as a whole, and not just available as a private good to only those who can afford it.

If you need additional information regarding this report, please contact Cora B. Marrett, Senior Vice President for Academic Affairs, at 262-3826. Thank you for your consideration.

Attachment: 2003-04 Annual Minority and Disadvantaged Student Report

copy: Board of Regents
Cora B. Marrett, Senior Vice President for Academic Affairs
Ron Singer, Associate Vice President for Academic and Student Services
John Stott, Legislative Fiscal Bureau
Robert Hanle, Department of Administration
Rebecca Karoff, Senior Program Administrator

I.2. Business and Finance Committee Meeting

Thursday, May 5, 2005
Memorial Student Center
UW-Stout

9:30 a.m. UW-Stout Campus Tour

9:30 a.m. Student Art Exhibition – Micheels Hall

11:00 a.m. Luncheon – Memorial Student Center

- UW-Stout – Area Business Partnerships Showcase

1:00 p.m. Joint session with Education Committee – Memorial Student Center, Ballroom B/C

a. University of Wisconsin Medical School, The Wisconsin Partnership Fund for a Healthy Future: First Annual Report
[Resolution I.2.a.]

1:30 p.m. Business and Finance Committee Meeting – Memorial Student Center, Ballroom A

b. Approval of Minutes of the April 7, 2005 meeting of the Business and Finance Committee

c. Student-Centered Business Services: e-commerce; e-business; and e-communication
Presentation by UW-Stout, Office of Administrative and Student Life Services

d. Trust Funds
   (1) Investment Strategies Report: Global Tactical Asset Allocation
   (GMO Presentation 2:30 p.m.)
   (2) Strategic Asset Allocation and Spending Plan Review

e. Tuition Related Issues
   (1) Review of Tuition Options discussed in Charting a New Course for the University of Wisconsin System and Building Our Resource Base Studies
   (2) Midwest Higher Education Compact: Student Exchange Program

f. Quarterly Audit Update

g. Business of the Committee
   (1) Quarterly Gift, Grant and Contract Report
   (2) Biennial Budget Update

h. Report of the Vice President

i. Additional items, which may be presented to the Committee with its approval

j. Closed session to consider trust fund matters as permitted by s.19.85(1)(e) *Wis. Stats.*

University of Wisconsin Medical School
The Wisconsin Partner Fund for a Healthy Future

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison, the Board of Regents approves the 2004 Annual Report of *The Wisconsin Partnership Fund for a Healthy Future*, which was collaboratively developed by the UW Medical School and the Oversight and Advisory Committee, in accordance with the Order of the Insurance Commissioner and the Agreement.

THE WISCONSIN PARTNERSHIP FUND FOR A HEALTHY FUTURE

Executive Summary

BACKGROUND

The Wisconsin Insurance Commissioner's Order of March, 2000, approved the conversion of Blue Cross & Blue Shield United of Wisconsin to a for-profit stock corporation, and the distribution of the proceeds from the sale of stock to the UW Medical School and the Medical College of Wisconsin to improve the health of the public. Thirty-five percent of the funds were allocated for public health initiatives and sixty-five percent for medical education and research initiatives.

The Order required the Board of Regents to create an Oversight and Advisory Committee (OAC) consisting of four public members (health advocates) and four Medical School representatives appointed by the Regents, and one member appointed by the Insurance Commissioner. In accordance with the Order, the OAC plans for and oversees the use of funds allocated for public health initiatives. The committee also reviews, monitors, and reports to the Board of Regents on funds committed for medical education and research.

The UW Medical School, in collaboration with the OAC, wrote a five year plan entitled, *The Wisconsin Partnership Fund for a Healthy Future*, describing the uses of funds. The plan also called for the appointment by the Medical School of the Medical Education and Research Committee (MERC), which is composed of a cross section of the faculty, representatives of the OAC, and Medical School leadership. The MERC directs and allocates funds to support medical education and research initiatives.

Upon approval of the five year plan by the Board of Regents in April 2003, it was reviewed and subsequently approved by the Wisconsin United for Health Foundation, Inc. (WUHF) in March, 2004. Immediately thereafter, WUHF transferred the funds to the UW Foundation for management and investment based on the Agreement between the UW Foundation, the Board of Regents and WUHF (Agreement). Since March, 2004 the MERC have been actively engaged in seeking proposals and making awards in accordance with the five year plan. As required by the Insurance Commissioner's Order and the Agreement, the UW Medical School, in collaboration with the OAC, must develop annual reports on the expenditure of funds for review and approval by the Board of Regents and by WUHF.

REQUESTED ACTION

Resolution approving the 2004 Annual Report of *The Wisconsin Partnership Fund for a Healthy Future* covering all expenditures through December 31, 2004.

DISCUSSION

In accordance with the Insurance Commissioner's Order and the Agreement, the Regents are being asked to approve the 2004 Annual Report covering the expenditures of *The Wisconsin Partnership Fund for a Healthy Future* through December 31, 2004. The Annual Report covers the development of policies and procedures and the decision-making processes leading to the awards by the OAC and by the MERC for health improvement programs. Each award listed includes the name of the recipient, amount funded, name of the UW Medical School academic partner, where appropriate, and the goals and objectives of the program.

The OAC evaluated 225 proposals from community organizations throughout Wisconsin, funding 33 grants for a total of $5.9 million. The OAC also funded four community – based initiatives focusing on health disparities in urban and rural areas and on public health education and training, bringing the total amount funded for all projects to approximately $8 million.

The programs funded by the OAC represent a significant investment in preventing disease and promoting health in children, adolescents, women, and minority populations. The projects will address some of Wisconsin's most urgent healthcare needs, including healthy birth outcomes, safe neighborhoods, healthy lifestyles for children and families, and training the public health workforce of the future. The grants also fund several statewide projects benefiting rural communities through initiatives that will improve access to healthcare. A description of each award begins on page 11 of the Annual Report.

The programs funded by the MERC focus on five important areas:

- Innovations in Medical Education
- The Wisconsin Population Health Research and Clinical Trials Network
- Disease Genomics and Regenerative Medicine
- Molecular Medicine and Bioinformatics
- Emerging Opportunities in Biomedicine and Population Health

The MERC awarded $7.l million for three Planning Grants, one Implementation Grant, and four Strategic Initiative awards. The Planning Grants are related to two of the above focus areas, The Wisconsin Population Health Research and Clinical Trials Network and Disease Genomics and Regenerative Medicine. They focus on:

- development of a survey of Wisconsin residents to monitor health status, health care access and utilization, assess trends, and establish determinants of health
- development of a statewide clinical trials network for treatment of many diseases and conditions, such as heart disease, Alzheimer's, asthma, and women's health issues
- exploration of the molecular basis for human health and disease through the study of cellular proteins.

Additionally, the MERC awarded a grant to the Innovations in Medical Education focus area for:

- implementation of a new curriculum combining traditional medicine with public health.
- expansion of the clinical skills teaching and assessment center to better prepare students to work with patients from many different cultures and backgrounds,
- development of a statewide health care distance education resource for health professionals and the public.

Four strategic initiative awards were made by the Dean of the Medical School with the advice and endorsement of the MERC. They range from establishment of the Master of Public Health Program (MPH), to improving cancer care with a focus on rural populations, and expansion of a statewide network of diagnostic and treatment centers for early detection of Alzheimer's disease.

A description of the MERC awards begins on page 24 of the Annual Report.

A theme guiding all of the program's efforts is the transformation of the UW Medical School into an integrated School of Medicine and Public Health. Such a change will merge the traditional scope of medicine - with its focus on individual illness and injury - with that of public health and its focus on healthy people living in healthy communities.

The Wisconsin Partnership Program has provided an unprecedented opportunity for the UW Medical School, in collaboration with the OAC and the MERC, to join with community organizations across the state to advance the health of the public.

RELATED REGENT POLICIES

None.

Partnerships for a Healthy Wisconsin

2004 ANNUAL REPORT

University of Wisconsin Medical School
The Wisconsin Partnership Fund for a Healthy Future

2004 Annual Report of The Wisconsin Partnership Fund for a Healthy Future

The University of Wisconsin Medical School and the Oversight and Advisory Committee (OAC) are pleased to present the first annual report on the implementation of the Five-Year Plan, *The Wisconsin Partnership Fund for a Healthy Future.** This plan was developed to guide the distribution of the funds from the conversion of Blue Cross/Blue Shield United of Wisconsin, which were designated to improve the health of the public.

The annual report covers all activities and expenditures through December 2004 in accordance with the documents establishing The Wisconsin Partnership Program, namely, the Insurance Commissioner's Order, the Agreement,** and the Five-Year Plan. The report describes the activities leading to the awarding of grants by the OAC and by the Medical Education and Research Committee (MERC) for health improvement initiatives to benefit the people of Wisconsin.

The Wisconsin Partnership Program Web site, www.med.wisc.edu/BlueCross/, provides detailed information about the activities of both committees since their inception.

We appreciate and value the unprecedented opportunity that Blue Cross/Blue Shield United of Wisconsin provided to the UW Medical School faculty and staff to join with community organizations across the state to advance the health of the public. The UW Medical School, in collaboration with the OAC and the MERC, pledges to support and promote programs having the greatest potential to realize the vision of The Wisconsin Partnership Program to make Wisconsin the healthiest state.

* *Also known as* The Wisconsin Partnership Program

** *Also known as* the *Agreement between the Wisconsin United for Health Foundation, Inc., the University of Wisconsin Foundation, and the University of Wisconsin System Board of Regents.*

University of Wisconsin Medical School Oversight and Advisory Committee (OAC)

Health Advocate Appointees

Margaret MacLeod Brahm
President and CEO
American Lung Association of Wisconsin

Nancy Miller-Korth, VICE CHAIR
Nursing Consultant
Great Lakes Inter-Tribal Council, Inc.

Douglas N. Mormann, Secretary
Health Officer, La Crosse County Health Department

Gregory Nycz
Executive Director, Family Health Center of Marshfield, Inc., and Director of Health Policy for Marshfield Clinic

Insurance Commissioner's Appointee

Vacant
Formerly Mary R. Lauby
Executive Director, Wisconsin Coalition Against Domestic Violence

UW Medical School Appointees

Philip M. Farrell, MD, PhD, CHAIR
Dean, UW Medical School
Vice Chancellor for Medical Affairs
UW Medical School

Susan L. Goelzer, MD, MS, CPE
Professor of Anesthesiology and Population Health Sciences, Chair of Department of Anesthesiology, UW Medical School

Patrick Remington, MD, MPH
Professor of Population Health Sciences
Director of Public Health and Health Policy Institute, Department of Population Health Sciences, UW Medical School

Susan K. Riesch, RN, DNSc, FAAN
Professor of Nursing
UW School of Nursing

Board of Regents Liaison

Patrick Boyle
Regent Emeritus and Liaison to The Wisconsin Partnership Program
UW System Board of Regents

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UW Medical School

Cathy Frey
Assistant Director, The Wisconsin Partnership Program, UW Medical School

Tonya Paulson
Program Assistant, The Wisconsin Partnership Program, UW Medical School

Karla Thompson, CPA
Accountant, The Wisconsin Partnership Program, UW Medical School

Public Health Education and Training Subcommittee (PHET)

Barbara Duerst
Family Living Educator
UW–Extension, Green County

Jan Klawitter, CO-CHAIR
Public Affairs Manager, Wisconsin State Laboratory of Hygiene; Wisconsin Public Health Association Board Member

Moira A. Lafayette
Health Education and Communications Consultant; Distance Learning Coordinator and Education and Training Team Leader
Wisconsin Department of Health and Family Services

George C. Mejicano, MD, MS, (Ex Officio)
Associate Professor, Department of Medicine; Assistant Dean, Continuing Medical Education
UW Medical School

Douglas N. Mormann, CHAIR
Health Officer, La Crosse County Health Department

Patrick Remington MD, MPH
Professor of Population Health Sciences
Director of Public Health and Health Policy Institute; Department of Population Health Sciences, UW Medical School

Lora Taylor
Director, Partnerships for Healthy Milwaukee

Pa Vang
Program Manager, Center for Urban Community Development
School of Continuing Education
UW–Milwaukee

PHET Committee Staff

Cathy Frey
Assistant Director, The Wisconsin Partnership Program, UW Medical School

OAC MEMBERSHIP

The OAC, chaired by UW Medical School Dean Philip M. Farrell, MD, PhD, consists of four public members, four university members, and one member appointed by the Insurance Commissioner. Each of the four public members was appointed as an advocate for a specific health care area: urban and community health, minority health, rural health, and statewide health.

The OAC and the PHET subcommittee operate in compliance with Wisconsin's open meetings and public records laws, and under standards of conduct in accordance with the OAC's bylaws and conflict of interest policy.

Regent Emeritus Patrick Boyle, who acts as the liaison to The Wisconsin Partnership Program for the University of Wisconsin System Board of Regents, participates in OAC meetings and provides guidance based on his outreach knowledge and experience as a former Chancellor of UW–Extension. Agendas, minutes, announcements, and approved documents are posted on The Wisconsin Partnership Program Web site.

For more information, please see the 2004 Annual Report Appendix on The Wisconsin Partnership Program Web site, www.med.wisc.edu/BlueCross/.

Medical Education and Research Committee (MERC)

Leaders of Focus Areas of Excellence

Lynn Allen-Hof fmann, PhD
Professor, Department of Pathology and Laboratory Medicine
UW Medical School
Focus Area: Emerging Opportunities in Biomedicine and Population Health

Jeff Gr ossman, MD, VICE CHAIR
Senior Associate Dean of Clinical Affairs
UW Medical School
Focus Area: Innovations in Medical Education

Richar d Moss, PhD
Professor and Chair, Department of Physiology,
UW Medical School
Focus Area: Disease Genomics and Regenerative Medicine

Javier Nieto, MD, PhD
Professor and Chair, Department of Population Health Sciences
UW Medical School
Focus Area: The Wisconsin Population Health Research and Clinical Trials Network

Geor ge W ilding
Director of UW Comprehensive Cancer Center
UW Medical School
Focus Area: Molecular Medicine and Bioinformatics

Medical School Administration

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Vice Dean
UW Medical School

Gor don Ridley
Senior Associate Dean for Administration
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Susan Skochelak, MD, MPH
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UW Medical School

Jeffr ey Stear ns, MD
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Aurora Sinai Medical Center

Basic Science Chairs

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Norman Drinkwater , PhD
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Clinical Chairs

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Faculty at Large

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UW Medical School

Joan Schiller , MD
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UW Medical School

Academic Staff

Debra Hullett, PhD
Distinguished Scientist, Department of Surgery,
UW Medical School

Oversight and Advisory Committee Appointees

Susan Goelzer , MD, MS, CPE
Professor and Chair, Department of Anesthesiology, UW Medical School

Gr egory Nycz
Executive Director of Family Health Center of Marshfield, Inc., and Director of Health Policy for Marshfield Clinic

Ex-officio

Patrick Boyle
Regent Emeritus and Liaison to The Wisconsin Partnership Program
UW System Board of Regents

Staff

Eileen Smith
Director, The Wisconsin Partnership Program,
UW Medical School

Tracy Cabot, PhD
Administrative Program Specialist, UW Medical School

Tonya Paulson
Program Assistant
The Wisconsin Partnership Program
UW Medical School

MERC MEMBERSHIP

The MERC, a 20-person committee chaired by Paul DeLuca, PhD, Vice Dean of the Medical School, represents a cross-section including:

- **Faculty and academic staff, with representation from basic scientists, educators, clinicians and population health researchers**
- **Faculty leaders of the focus areas**
- **Representatives of the OAC**
- **UW Medical School leadership**

All members share a common goal to thoroughly evaluate and support educational and research initiatives that have the greatest potential to improve the health of the public.

In his role as liaison to the UW System Board of Regents, Regent Emeritus Patrick Boyle is a participant in MERC meetings and offers advice on topics before the committee.

The MERC also created an Executive Subcommittee, composed of the focus leaders and the chair of the MERC, to handle matters between meetings and to provide advice and comment on proposals to the full committee. Both the Executive Subcommittee and the MERC operate in compliance with Wisconsin's open meetings and public records laws. Agendas, minutes, and approved documents are posted on The Wisconsin Partnership Program Web site.

For more information on the MERC, please see the 2004 Annual Report Appendix on The Wisconsin Partnership Program Web site, www.med.wisc.edu/BlueCross/.

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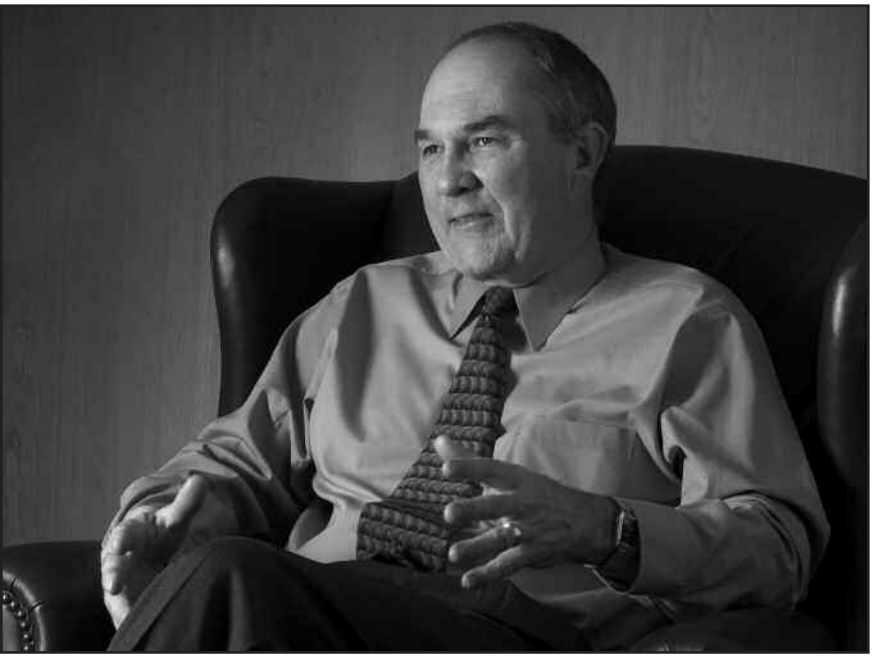
All documents r eferr ed to in this r eport can be found on The W isconsin Partnership Fund for a Healthy Futur e Web site: www.med.wisc.edu/BlueCr oss/.

The Appendix is a separate document and can also be found at www.med.wisc.edu/BlueCr oss/.

Year In Review

LAST YEAR WAS THE PIVOTAL YEAR in our efforts to improve the health of Wisconsin's people. After five years of planning, in 2004, we launched *The Wisconsin Partnership Fund for a Healthy Future.*



BOB RASHID

Dean Philip M. Farrell

While The Wisconsin Partnership Program has a clear mission and vision, it receives direction from the State Health Plan, *Healthiest Wisconsin 2010*, and inspiration from The Wisconsin Idea. Introduced nearly a century ago, The Wisconsin Idea remains a powerful concept: the boundaries of the university are the boundaries of the state. The Wisconsin Partnership Program has given birth to a new version of The Wisconsin Idea: that the UW Medical School take a similar perspective—a grand view that seeks to improve the health of every Wisconsin resident.

In recent years we have learned more about the serious problems and the great challenges associated with making Wisconsin the healthiest state. Because of the vision of the Blue Cross/Blue Shield leaders, we have the resources in hand to make a difference in the lives of people.

Of course, we cannot accomplish this alone. We are proud to join with community partners from the far reaches of Wisconsin's Northwoods, to those in the large urban centers in the southern region of our state. Such partners face the real-world challenges of health care in full measure. They know health disparities because they work to overcome them. They understand the health risks of tobacco use and the vulnerabilities of aging because they confront them every day.

As described in our Five-Year Plan, the UW Medical School established two working committees, the OAC and the MERC, to help meet the diverse health needs of Wisconsin's residents.

The Oversight and Advisory Committee (OAC), which is responsible for directing and allocating funds for population health initiatives, consists of individuals representing various constituencies, and urban and rural populations.

In 2004, the OAC evaluated 225 community-based proposals from throughout Wisconsin, funding 33 grants for a total of $6 million. The OAC also funded four other community-based initiatives focusing on health disparities in urban and rural areas and on public health education and training initiatives, bringing the total amount funded for all projects to $8 million. These programs are described beginning on page 11 of this annual report.

The Medical Education and Research Committee (MERC), composed of a cross-section of the faculty, representatives of the OAC, and Medical School leadership, directs and allocates funds to support medical education and research initiatives that focus on five important areas:

- Innovations in Medical Education
- The Wisconsin Population Health Research and Clinical Trials Network
- Disease Genomics and Regenerative Medicine
- Molecular Medicine and Bioinformatics
- Emerging Opportunities in Biomedicine and Population Health

In 2004, the MERC awarded $7 million in funding for three Planning Grants, one Implementation Grant, and four Strategic Initiative awards. A description of each award begins on page 24.

"We are proud to join with community partners from the far reaches of Wisconsin's Northwoods, to those in the large urban centers in the southern region of our state."

A theme guiding all of our efforts is the transformation of the UW Medical School into an integrated School of Medicine and Public Health. Such a change will merge the traditional scope of medicine—with its focus on treating individual illness and injury and preventing disease—with that of public health and its focus on healthy people living in healthy communities. The Medical School has already begun to transform using the Wisconsin Partnership funds. Here are a number of examples:

- The Innovations in Medical Education Program is pursuing three goals: developing a new curriculum combining medicine and public health; enhancing the clinical skills teaching center to enable the next generation of physicians to respond to diverse patient and family needs; and developing statewide health care distance-education programs for community providers, patients, health care professionals, and the public.
- In the fall of 2005, we will offer a new Master of Public Health degree. This program represents a major step forward in our mission to support public health initiatives in Wisconsin.
- A proposal has been developed for review by the University of Wisconsin–Madison and the Board of Regents to change the name of the school to the UW School of Medicine and Public Health in recognition of the need to balance and integrate personal health care with broader community-wide initiatives that target the entire population.

Transforming the Medical School may seem like an internal focus. While many changes will occur within the institution, an integrated School of Medicine and Public Health has a broad external focus to make Wisconsin the nation's healthiest state. Our community partners are leading us by identifying and addressing unmet needs and health disparities. In turn, the Medical School is taking the lead in redefining how physicians are trained and how medical discoveries are applied.

This, our first annual report, describes the beginning of our journey. The first section of the report discusses the OAC and its commitment to community-based initiatives, followed by an overview of the MERC and its focus on medical education and research. While each committee has a clear mission, they share a defining philosophy: to help improve the health of Wisconsin residents.

Philip M. Farrell, MD, PhD
Dean, UW Medical School
Vice Chancellor for Medical Affairs

Oversight and Advisory Committee (OAC)

Working with Communities to Improve Health

For the UW Medical School and its community partners, the reasons to work together are clear and compelling. Population health can only be improved through the collaboration of individuals, organizations, and institutions, with each leveraging its expertise, capability, and talents.

The Wisconsin Partnership Program is based on the power of such collaborative relationships. It is through such partnerships that health-promoting interventions can be created and carried out where they are needed the most—in the communities where individuals and families live and work.

Community organizations throughout Wisconsin responded with great interest to The Wisconsin Partnership Program.

For the OAC, 2004 was a landmark year. Statewide partnerships were created to focus directly on the challenges of improving the health of Wisconsin residents. By working together, community-academic partners can achieve large-scale improvements in population health while maximizing each organization's strengths and abilities.

In fulfilling its obligations to improve population health, the OAC is charged with two distinct duties. The first is to oversee and allocate funds by awarding grants to community organizations for population health initiatives. The second is to advise and comment on medical education and research initiatives.

In addressing its responsibilities, the OAC met eleven times in 2004, to develop policies and procedures required to apply the partnership funds to community health programs in accordance with the Five-Year Plan. Funded initiatives fell into the following three program categories:

- Community-Academic Partnership Fund (see below)
- Community-Population Health Initiatives (see page 16)
- Community-Based Public Health Education and Training Initiatives (see page 17)

Community-Academic Partnership Fund

The dedication to improve health and achieve healthier communities mobilized organizations throughout Wisconsin to develop applications to the Community-Academic Fund. The program offered a unique opportunity for communities, in collaboration with the UW Medical School, to address long-standing health needs. A major guiding premise was that by awarding funds directly to community-based organizations, the OAC acknowledged and empowered communities as full partners in the program. This reflected the confidence that real promise for change lies with local organizations.

In the first round of applications, the OAC reviewed 225 grant proposals. Of these, 131 were Implementation Grant proposals and 94 were Planning Grant proposals.

The OAC funded 20 Planning Grants to develop community-academic partnerships and new collaborations. These projects did not require an academic partner. Funds were available for one-year grants of no more than $25,000.

The OAC also funded 13 Implementation Grants to develop and implement projects that addressed the goals of the Community-Academic Partnership Fund. These projects required an academic partner, and funding was available for projects lasting from 12 to 36 months of no more than $150,000 annually.

Request for Partnerships (RfP) Process

The first major task for the OAC, after completion of the Five-Year Plan, was to develop a Request for Partnerships (RfP) to solicit competitive proposals. With the OAC's guidance and direction, two of its members with experience in grant writing took the lead in developing the RfP. A draft of the RfP was posted on The Wisconsin Partnership Program Web site in August 2003 for public comment. An e-mail announcement soliciting comments was sent to an extensive list of public and community organizations statewide. All comments were carefully considered by the OAC, resulting in several improvements in the draft.

Helping Communities with Training and Technical Assistance

The OAC held seven statewide training sessions for community organizations in January and February 2004.

The Wisconsin Partnership Program Training Sessions

Location	Number of Attendees
Wausau, WI	62
Madison, WI	183
La Crosse, WI	61
Eau Claire, WI	46
Spooner, WI	18
Green Bay, WI	67
Milwaukee, WI	153
Total Attendance	**590**

Training sessions were widely promoted through The Wisconsin Partnership Program Web site, e-mails to organizations statewide, and announcements in community newspapers. Nearly 600 individuals representing public and community health organizations attended the sessions.

The OAC members were well represented at the meetings with at least one public member, one faculty member, and the Dean of the Medical School, or his representative, at each session.

The sessions consisted of an overview of the RfP, individual presentations by OAC members and staff, and an extensive question and answer period. An information packet, including the RfP and other resources on proposal development, was given to each attendee.

The training sessions not only provided information and answered questions, but also produced two distinct benefits:

- Served as points of introduction between The Wisconsin Partnership Program staff, the OAC members, and community organization leaders, and
- Facilitated communication and enhanced understanding of the program's objectives.

Attendees completed a written evaluation and provided general comments on the training. Participants indicated that the sessions met their expectations. The OAC members reviewed the evaluations, resulting in further revisions of the RfP prior to its release in May 2004.

Technical Assistance

Beyond scheduled training sessions, program staff continually worked to help applicants with RfP requirements. In addition, the program's Web site was revised to include:

- Frequently Asked Questions (FAQ) to disseminate information and respond to questions
- A list of centers and institutes at the UW Medical School with experience in building community-academic partnerships, including the names of faculty and staff to be contacted
- A searchable faculty-partner database for community organizations
- A list of grant resources
- An e-mail sign-up list for announcements

Program staff were available through e-mail, phone, and direct contact to respond to questions from community organizations and faculty. There was also regular communication with faculty through meetings, newsletters, and e-mail messages encouraging them to become academic partners. More than 100 faculty responded to this request, and their names were entered into the Web site database with their specific areas of interest.

Letters of Intent for the Collaboration Implementation Grants were also posted on the Web site to allow community organizations to collaborate with others on the development of similar projects. Additionally, in May 2004, program staff exhibited The Wisconsin Partnership Program materials at the conference of the Wisconsin Public Health Association and Wisconsin Association of Local Health Departments and Boards in Stevens Point.

Competitive Application Review Process

The OAC worked to ensure a fair and comprehensive review process. Essential to the success of this process was establishing a panel of independent, external reviewers advisory to the OAC.

A call for reviewers was announced in the summer of 2004 to read, score, and comment on applications. The OAC gave considerable thought to the geographic scope of the recruitment of reviewers and decided to limit nominations to Wisconsin public and community health leaders because of their experience with and knowledge of state health issues. Nominations were solicited from many sources, including UW Medical School faculty and administrators, state health officials, and representatives of community-based organizations. More than 60 nominations were received.

The OAC reviewed the background of each nominee. Criteria for selection included:

- Experience in population health programs, education, or research
- Experience in analyzing grant applications
- Interest in advancing the goals of The Wisconsin Partnership Program

Once review panels were established and oriented, a multi-step review process commenced. This included a technical review, external review, and an OAC review, followed by final decision-making by the OAC.

Technical Review

Technical review was the first step. A detailed checklist helped to ensure a comprehensive overview of applications, consisting of the Program staff examining applications for completeness, applicant eligibility, and budget documentation. Although proposals were not evaluated on content, staff flagged applications that raised special questions about eligibility, supplanting, and budget. In addition, the Medical School's Assistant Dean for Fiscal Affairs scrutinized each application:

- To ensure that non-supplanting requirements were met and,
- To determine if there were budgetary issues requiring clarification.

Independent, external reviewers advisory to the OAC helped ensure a fair and comprehensive review process.

External Review

External review was the second step. Reviewers received a comprehensive orientation presented by an OAC member and program staff member. The orientation covered an overview of The Wisconsin Partnership Program, elements of the RfP, confidentiality, scoring criteria, and conflict of interest.

While the overall review process shared basic similarities for both types of proposals, there were distinctions in the approach for Implementation and Planning Grant proposals. The proposals were organized for review as follows:

- Collaboration Planning Grants: OAC members were involved with the outside reviewers of Planning Grants to obtain experience in scoring applications using criteria in the RfP. Each OAC member received 25 applications, and 12 outside reviewers received eight to nine applications for review. Each proposal had three reviewers.
- Collaboration Implementation Grants: Each proposal had three outside reviewers with expertise in community and public health. Each reviewer received approximately ten applications.

Review teams were formed based on areas of expertise, geographic location, and avoidance of conflicts of interest. Teams were formed to achieve a balance of academic and community experts or leaders.

Review teams scored proposals independently and anonymously and did not meet to discuss applications. To ensure a consistent process, reviewers adhered to a common scale and applied the same conventions in assigning scores. Reviewers gave each application a numerical score and provided written comments.

The OAC adopted a conflict of interest policy for proposal reviewers to identify and manage such conflicts that could arise in the review process. External reviewers agreed to abide by the OAC conflict of interest policy by signing a questionnaire. Reviewers were not allowed to review an application in which:

- The reviewer was personally involved, or served on the board of the entity that was involved in a proposal under review.
- The reviewer or a family member had an employment or investment relationship with an entity involved in a proposal under review.
- The reviewer had any responsibility or involvement in the project being reviewed, or advised or consulted with an organization on the development of the application.

OAC Review

Final review and discussion by the OAC was the last step. This review occurred on August 25, 2004 for the Planning Grant awards and on December 22, 2004 for the Implementation Grant awards. OAC members received a full list of all applications ranked by reviewer scores, written comments, and a one-page proposal executive summary. This permitted OAC members to assess the quality and scope of all the applications. The OAC carefully examined scores and comments by the external reviewers. For Implementation Grants, each OAC member also reviewed three to four of the highest scoring proposals for a more in-depth assessment. The OAC member then led the discussion on these proposals.

In making final funding decisions, the OAC considered diversity in programs, geographic distribution, and capacity to achieve the goals and objectives of The Wisconsin Partnership Program. Based on the assessment of strengths and weaknesses of each application, the OAC made a final determination for approval and funding.

The OAC carefully followed its conflict of interest policy as it made the award decisions. The committee adopted this policy to clarify its special oversight and advisory role in light of its unique structure. All OAC

members must promptly and fully disclose any conflict prior to acting on a matter. No OAC member with a conflict of interest may participate in the review of an application. When the OAC considers a proposal in which one of its members has an interest that represents an actual or apparent conflict, that member is required to declare a conflict of interest and abstain from voting on those issues.

Notice to Applicants

Once the OAC approved the proposals to be funded, all applicants received a Letter of Decision indicating the status of their proposal. In addition to an announcement posted on the Web site, an e-mail was sent to all applicants indicating that a summary of reviewer comments was available. This summary served as an official record of review and included:

- Applicant project description
- Minimally edited comments by reviewers, with reviewer identity removed
- Proposal priority score, reflecting the average of the individual reviewers' scores

The Wisconsin Partnership Program posted a list of successful grants on its Web site as soon as applicants were informed of the results. Descriptions of the program's inaugural collaboration implementation and collaboration planning grants are included in the following section.

Collaboration Implementation Grants

At-Risk Adolescent Health Outr each, Pr evention and Services Collaborative Pr ogram

Address behavioral and environmental factors that affect health of low-income adolescents and their families. Develop outreach programs, a new health education curriculum, direct health care services, and educational programs for parents and teens.

$292,467 —Madison area
Community partner: Madison Community Health Center
Academic partner: Gregory P. DeMuri, MD, Associate Professor, Department of Pediatrics, UW Medical School

Beyond Lip Service: Integrating Oral Health into Public Health

Improve access to oral health prevention and treatment services, and prevent oral health disease among low-income children and racial and ethnic minorities. Establish baseline oral health data for use in local health departments and in tribal community health improvement plans, implement county fluoride programs, and improve access to prevention services.

$450,000 —Statewide
Community partner: Wisconsin Department of Health and Family Services
Academic partner: John Doyle, DDS, Professor, Department of Surgery, UW Medical School

Br eaking the Barriers to Health Car e and Pr eventing Domestic V iolence for Latino/Hispanic Immigrants

Prevent domestic violence in the Latino/Hispanic migrant and immigrant communities. Provide access to comprehensive and culturally-appropriate primary, preventive, and health services.

$450,000 —Statewide
Community partner: UNIDOS Against Domestic Violence, Inc.
Academic partner: Rachel Rodriguez, PhD, RN, Assistant Professor, School of Nursing and Department of Population Health Sciences, UW Medical School

Co-Op Car e

Improve access to health care and reduce health disparities affecting farmers and small rural-based businesses. Bring together individual purchasers of health care under a cooperative umbrella to purchase health care at more affordable rates.

$450,000 —Statewide
Community partner: Wisconsin Federation of Cooperatives
Academic partner: Byron J. Crouse, MD, Professor, Department of Family Medicine, Associate Dean for Rural and Community Health, Wisconsin Office of Rural Health, UW Medical School

Dane County Early Childhood Initiative

Initiate home visits to improve the health of vulnerable young children and their families in Madison's Allied Drive community, a high-density and low-income neighborhood. Focus on prenatal care, child immunizations, nutrition, mental health services, alcohol and other drug abuse assessment and treatment, child abuse and domestic violence, and improved access to employment assistance.

$450,000 —Dane County, Allied Drive Community
Community partner: Dane County Department of Human Services
Academic partner: Rosanne Clark, PhD, Assistant Professor, Departments of Psychiatry and Psychology, Director, Parent-Infant Clinic, UW Medical School

First Br eath: Enhancing Services to Health Car e Providers and Clients

Embrace a statewide approach to reduce tobacco use among women who smoke before, during, and after pregnancy. Develop mechanisms for enhancing social support for First Breath clients, and expand the First Breath model to other health care providers.

$450,000 —Statewide
Community partner: Wisconsin Women's Health Foundation
Academic partner: Michael Fiore, MD, MPH, Professor, Department of Medicine, Director, UW Center for Tobacco Research and Intervention, UW Medical School

Fit Kids Fit Families in W ashington County

Address the problem of obesity among children in Washington County. Reduce and prevent childhood overweight and obesity by increasing physical activity and improving family health through healthy lifestyle changes.

$318,971 —Washington County
Community partner: Aurora Medical Center of Washington County
Academic partner: Paul P. Hartlaub, MD, MSPH, Associate Professor, Department of Family Medicine, UW Medical School

BOB RASHID

Tamara Key (left), Saidellia Dobson, and ZaKiyyia.

The Milwaukee Birthing Project

It seems as though Saidellia Dobson and Tamara Key have known each other for years. But they've only known each other for about six months. Saidellia is a new mom, and Tamara is her "sister-friend."

They came together because of the OAC-supported Milwaukee Birthing Project, which focuses on improving birth outcomes for African American and Latina women in Milwaukee. The project will match 150 pregnant women of color with 150 voluntary "sister friends" over a three-year period. Sister-friends provide social support and advice to women during their pregnancies and for one year following the birth of their children.

Project team members recently celebrated the birth of the program's first baby, ZaKiyyia Cobb-Dobson, who was born on January 31, 2005. "I am a Big Sister already, so this is a natural way of being for me," says sister-friend Tamara Key. "I feel connected to ZaKiyyia. I am her Auntie and I am thrilled to be part of her life." Key says she helped Dobson in determining short- and long-term goals, and in resume writing and job interviewing skills.

Dobson values the support she has received from her sister-friend. "When I needed someone to talk to, Tamara was there for me. And, she taught me how to do different tasks in her office."

"It's a beautiful program. She is my little sister," Key explains.

Healthy and Active Lifestyles for Childr en and Youth with Disabilities: A Compr ehensive Community-Based Partnership

Address the unique nutritional, physical, emotional, cognitive, and social needs of La Crosse area youth with disabilities. Increase physical activity levels for such children, and decrease overweight and obesity through nutritional programs and services.

$440,490 —La Crosse and surrounding area
Community partner: School District of La Crosse
Academic partner: Stacy Her, MD, Clinical Assistant Professor, Department of Orthopedics and Rehabilitation, UW Medical School

Healthy Childr en, Str ong Families

Address health disparities among American Indian children in Wisconsin. Develop and evaluate an innovative family-based obesity prevention program in three tribal communities. Work with 3 to 5 year old children and their primary caregivers to promote healthy behavior change in families.

$426,120— Bad River, Lac du Flambeau and Menominee Tribes
Community partner: Great Lakes Inter-Tribal Council, Inc.
Academic partner: Alexandra Adams, MD, PhD, Department of Family Medicine, UW Medical School

Milwaukee Birthing Pr oject: Impr oving Birth Outcomes for Mothers and Childr en

Improve birth outcomes for African American and Latina women. Match 150 pregnant women of color with 150 voluntary sister friends over a three-year period to enhance social support, reduce levels of stress, and improve maternal and child health outcomes.

$414,475 —Milwaukee area
Community partners: Milwaukee Birthing Project, InHealth, WI
Academic partner: Gloria Johnson-Powell, MD, Professor, Departments of Psychiatry and Pediatrics, Associate Dean for Cultural Diversity, Director, Center for the Study of Cultural Diversity in Health Care, UW Medical School

Milwaukee Homicide Review Commission

Promote healthy and safe neighborhoods, develop innovative responses to homicide and strategically focus enforcement and intervention activities in high-risk areas.

$400,001 —Milwaukee County
Community partner: Milwaukee Police Department
Academic partner: Ron Cisler, PhD, Associate Professor, UW–Milwaukee, Associate Professor, Department of Population Health Sciences, Director, Center for Urban Population Health, UW Medical School

Peridata: A Rural/Urban Infor mation Network

Extend the statewide perinatal database to 34 rural Wisconsin birth hospitals, and train hospital personnel in database applications including analysis and use. Provide a statewide application for perinatal data to help rural hospitals monitor birth outcomes, facilitate quality improvement activities, and improve infant and maternal health outcomes.

$395,819 —Statewide
Community partner: Wisconsin Association for Perinatal Care
Academic partner: Ron Cisler, PhD, Associate Professor, UW–Milwaukee, Associate Professor, Department of Population Health Sciences, Director, Center for Urban Population Health, UW Medical School

Safe Mom, Safe Baby: A Collaborative Model of Car e for Pr egnant W omen Experiencing Intimate Partner V iolence

Improve health outcomes and safety for pregnant women and new mothers at risk for intimate partner violence. Identify pregnant women and new mothers at risk, and provide assessments, case management, mentoring services, education, prenatal care, and advocacy.

$448,529 —Statewide
Community partner: Aurora Sinai Medical Center, Aurora Health Care
Academic partner: Adanna C. Amanze, MD, Assistant Professor, Department of Obstetrics and Gynecology, UW Medical School

Collaboration Planning Grants

Collaboration on Lead Education, Abatement, and Reduction

Address lead hazards in homes, assess methods used to reduce lead hazards in housing, and focus on health disparity issues in lead poisoning.

$25,000 —City of Racine
Community partner: City of Racine Health Department

Community Mental Health T raining Institute

Increase the number of culturally competent mental health educators and service providers for ethnic minorities in the Milwaukee area.

$25,000 —Milwaukee area
Community partner: New Concept Self Development Center, Inc.
Academic partner: Ron Cisler, PhD, Associate Professor, UW–Milwaukee, Associate Professor, Department of Population Health Sciences, Director, Center for Urban Population Health, UW Medical School

Community W ellness Initiative

Develop a Rural Wellness Model that links private and public agencies and businesses in understanding the needs, benefits, and responsibilities they share in contributing to community wellness. Address nutrition, access to preventive services, obesity, inactivity, and economic and social factors that influence health.

$25,000 —Black River Falls area
Community partner: Black River Falls Memorial Hospital

Enhancing Alcohol Scr eening, Intervention, and Referral Services in W isconsin

Develop and carry out an action plan to deliver alcohol screening, intervention, and treatment/referral services for adults and adolescents throughout Wisconsin.

$24,821 —Statewide
Community partner: Wisconsin Medical Society
Academic partner: Richard L. Brown, MD, MPH, Associate Professor, Department of Family Medicine, UW Medical School

Fall No Mor e

Develop and launch an initiative to train assisted living caregivers and their supervisors in reducing falls and related injuries for elderly residents and individuals with dementia.

$25,000 —Statewide
Community partner: Assisted Living Foundation of Wisconsin
Academic partner: Mark Sager, MD, Professor, Department of Medicine, Director, Wisconsin Alzheimer's Institute, UW Medical School

FIT-WIC-Wisconsin

Improve the Women, Infants and Children (WIC) Program's ability to address the increasing overweight problem among low-income mothers and children.

$25,000 —Statewide
Community partner: Wisconsin WIC Association

Health Car e Interpr eting Infor mation and Resour ce Pr oject

Develop and pilot a proficiency exam for interpreters working in health care organizations. Address cultural and linguistic competence in the health care setting and improve access to care for populations with limited English proficiency.

$12,500 —Statewide
Community partner: Wisconsin Coalition for Linguistic Access to Health Care
Academic partner: Nancy A. Sugden, Assistant Dean, Academic Affairs, UW Medical School, Director, Wisconsin Area Health Education Center System (AHEC)

Health W atch W isconsin

Create "Health Watch Wisconsin," a statewide, grassroots advocacy collaborative to improve access to health care and coverage. Address health disparities faced by Wisconsin residents who lack access to health care due to inadequate health insurance coverage.

$23,571 —Statewide
Community partner: ABC for Health, Inc.

Ho-Chunk Nation Culturally T rained Pr eventive and Supportive Car e Pr oject

Strengthen and expand the continuum of care for Ho-Chunk elders and disabled individuals in Jackson County. Serve as a model program for the 14 additional counties that comprise the Ho-Chunk Nation.

$25,000 —Jackson County
Community partner: Ho-Chunk Nation

Influencing W isconsin's Public Health System thr ough Exploration of a Model that Addr esses Hmong Mental Health Needs

Address the need for treatment strategies for mental disorders in Hmong people living in Wisconsin. Develop partnerships to explore optimum approaches to address mental illness in these communities.

$25,000 —Statewide
Community partner: Mental Health Center of Dane County, Inc.
Academic partner: Dean D. Krahn, MD, MS, Clinical Associate Professor, Department of Psychiatry, UW Medical School

Northeaster n Wisconsin Falls Pr evention Coalition

Integrate prevention strategies and information to reduce the number of falls and consequent morbidity and mortality for older adults living in Brown, Door, Kewaunee, and Oconto counties, and the Oneida Nation.

$25,000 —Brown, Door, Kewaunee, and Oconto counties, and the Oneida Nation
Community partner: Bay Area Agency on Aging, Inc.

Norther n W isconsin Gr oundwater Consortium

Develop state and local partnerships to study the correlation between geological formation, water well construction, and elevated levels of arsenic and other contaminants in private drinking water. Create a plan for continued environmental and health assessment, public education, and policy development.

$25,000 —Taylor County
Community partner: Taylor County Health Department

Partners for a Clean and Sober Polk County

Develop a comprehensive, countywide plan for alcohol and substance abuse prevention, early intervention, and treatment services. Identify strategies for cooperative treatment and intervention among schools, agencies, and communities.

$25,000 —Polk County
Community partners: Polk County Health Department and Polk County Human Services

Planning Grant to Reduce Health Disparities within LGBT Populations in W isconsin

Through increased commitment and collaboration, improve the integration of lesbian, gay, bisexual, and transgender (LGBT) health issues into community health goals. Create a comprehensive three-year plan with identified strategies to address health disparities among LGBT populations throughout Wisconsin.

$25,000 —Statewide
Community partner: Diverse and Resilient, Inc.

Healthy Children, Strong Families

Healthy Children, Strong Families aims to reduce childhood obesity in Wisconsin American Indian tribes. "This is an important issue in our community," says Elaine Allen, the Women, Infants and Children (WIC) Program Director for the Great Lakes Inter-Tribal Council, Inc. (GLITC). "We are looking at ways to help children stay fit earlier in their lives, and avoid the complications of obesity, such as diabetes and cardiovascular disease," Allen explains.

RAVI HIREKATURL

Dr. Alexandra Adams and a young patient.

A key strategy of the program is to train community members as mentors to make home visits to encourage more physical activity and nutritious food choices in the Bad River, Lac du Flambeau, and Menominee tribes.

Allen says Healthy Children, Strong Families will recruit and train up to five tribal mentors at each site with as many as twenty families at each tribe benefiting from a mentor who comes right to their homes.

The program will focus on families with children 3 to 5 years of age. Mentors will likely make initial contact with parents and their children through the tribes' Head Start Program. "Head Start is a great place to contact parents with children at a young age. It is a time when the children are developing many of their activity habits and food preferences," says academic partner Alexandra Adams, MD, PhD, Assistant Professor, Department of Family Medicine, UW Medical School. "Our goal is to work with community partners and mentors to encourage active lifestyles and healthy food choices for all family members," Adams explains.

Reducing Household Asthma T riggers in Dane County African American Households

Explore the feasibility of implementing a community-based parent/community mentor model of peer education and home visitation to help reduce asthma risks in African American households. Provide education on ways to identify and manage household asthma triggers.

$25,000 —Dane County
Community partner: Genesis Development Corporation
Academic partner: Gloria Johnson-Powell, MD, Professor, Departments of Psychiatry and Pediatrics, Associate Dean for Cultural Diversity, Director, Center for the Study of Cultural Diversity in Health Care, UW Medical School

Str engthening Family Car egivers thr ough Statewide Coalition

Foster statewide collaboration to help educate family caregivers to manage multiple caregiving roles and responsibilities while maintaining their own health and well-being.

$25,000 —Statewide
Community partner: American Association of Retired Persons–Wisconsin

Understanding and Over coming the Barriers Hispanic/Latina W omen Face in Accessing Repr oductive and Sexual Health Car e Services

Study the barriers that discourage Hispanic/Latina women in Dane County from seeking preventive reproductive and sexual health care services. Address barriers that produce disparities in breast and cervical cancer prevention for Hispanic/Latina women.

$25,000 —Dane County
Community partner: Planned Parenthood of Wisconsin, Inc.
Academic partner: Caryn Dutton, MD, Assistant Professor, Department of Obstetrics and Gynecology, UW Medical School

Uniting Communities for Healthy Eating and Active Living

Develop a framework for a statewide communication network focused on changing local practice and policy. Focus on health risk factors such as overweight, obesity, and lack of physical activity.

$25,000 —Statewide
Community partner: Marshfield Clinic Research Foundation, Center for Community Outreach

Wisconsin Academy for Rural Medicine

Develop a comprehensive, coordinated, and strategic approach to Wisconsin's shortage of rural physicians. Improve long-term access to physicians in Wisconsin's rural communities.

$25,000 —Statewide
Community partner: Rural Wisconsin Health Cooperative
Academic partner: Byron Crouse, MD, Professor, Department of Family Medicine, Associate Dean for Rural and Community Health, Wisconsin Office of Rural Health, UW Medical School

Wisconsin Adolescent Sexually-T ransmitted Infections Pr otection thr ough Education Pr oject

Develop a plan to reduce sexually transmitted infections in Wisconsin's high-risk adolescent population. Identify interventions that provide adolescents knowledge to help them lessen their risk of infection and re-infection by decreasing risky behaviors and increasing behaviors associated with reduced risk.

$25,000 —Statewide
Community partner: Family Planning Health Services, Inc.

Community-Population Health Initiatives

Aligned with its commitment to community-academic partnerships, the OAC supported two UW Medical School programs linked with communities, which focus on health disparities in minority populations. The two programs are the Center for Urban Population Health (CUPH) and the Great Lakes Inter-Tribal Council, Inc. (GLITC), Native American Health Research project. While a commitment to support these programs for two years was included in the Five-Year Plan, the OAC also decided that CUPH and GLITC must submit specific proposals under the same RfP guidelines and requirements as applications for the community-academic partnership fund programs.

The OAC carefully reviewed the proposals and made recommendations for changes prior to approval for funding. In accordance with the Five-Year Plan, both were funded for a two-year period. They are as follows:

Center for Urban Population Health, Multi-level Infor mation Systems and Health Pr omotion Interventions for Milwaukee's School Childr en

Create a health information and data collection system aimed at reducing health disparities. Provide a framework for analysis, interpretation, and application of preventive health research with a school-based health team. Develop a curricular and preventive health intervention, the "Milwaukee School Health Model," which addresses health disparities among Milwaukee's highest-risk urban children.

$299,839 —Milwaukee
Community partner: Milwaukee Public School System
UW Medical School faculty: Ron Cisler, PhD, Associate Professor, UW–Milwaukee, Associate Professor, Department of Population Health Sciences, Director, Center for Urban Population Health, UW Medical School

Great Lakes Inter-T ribal Council, Inc., Native American Health Resear ch Pr oject

Promote interventions for conditions and diseases that reflect disparities in health and health care among Wisconsin's American Indians. Develop a UW Medical School field campus at the Great Lakes Inter-Tribal Council Epidemiology Center to further public health research and training opportunities for medical students, residents, and graduate students. Increase the number of Wisconsin American Indian scientists and health professionals by collecting baseline data from American Indian middle school youth.

$299,701 —Wisconsin American Indian tribes
Community partner: Great Lakes Inter-Tribal Council, Inc.
UW Medical School academic staf f: Donna Friedsam, MPH, Associate Director of Health Policy, Wisconsin Public Health and Health Policy Institute, UW Medical School

Community-Based Public Health Education and Training

The third component of The Wisconsin Partnership Program, public health education and training initiatives, contributes to the development of a "sufficient and competent workforce," one of the infrastructure priorities of the State Health Plan. The OAC funded two such initiatives: The Population Health Fellowship Program and the Public Health Leadership Institute, each described in the Five-Year Plan. As with the Community-Population Health Initiatives described above, the OAC required that proposals be submitted under the same RfP guidelines and requirements for the Community-Academic Partnership Fund. The OAC carefully reviewed the proposals and made recommendations for changes prior to approval for funding.

In recognition of its commitment to public health education and training, the OAC also created a nine-member Public Health Education and Training (PHET) subcommittee, including representatives from the public health community. The purpose of the subcommittee is to provide advice and recommendations to the OAC, and to assure that the public health community is involved in the development of public health educational initiatives. The community-based public health education and training awards for 2004 are as follows:

Community-Based Population Health Practice Fellowships

Assign Master of Science (MS) or Master of Public Health (MPH) fellows for 24 months in state and local health departments or community-based organizations. Develop the next generation of public health officials and administrators skilled in planning, implementing, and evaluating public health programs. Improve the public health workforce through applied learning and commitment to public service.

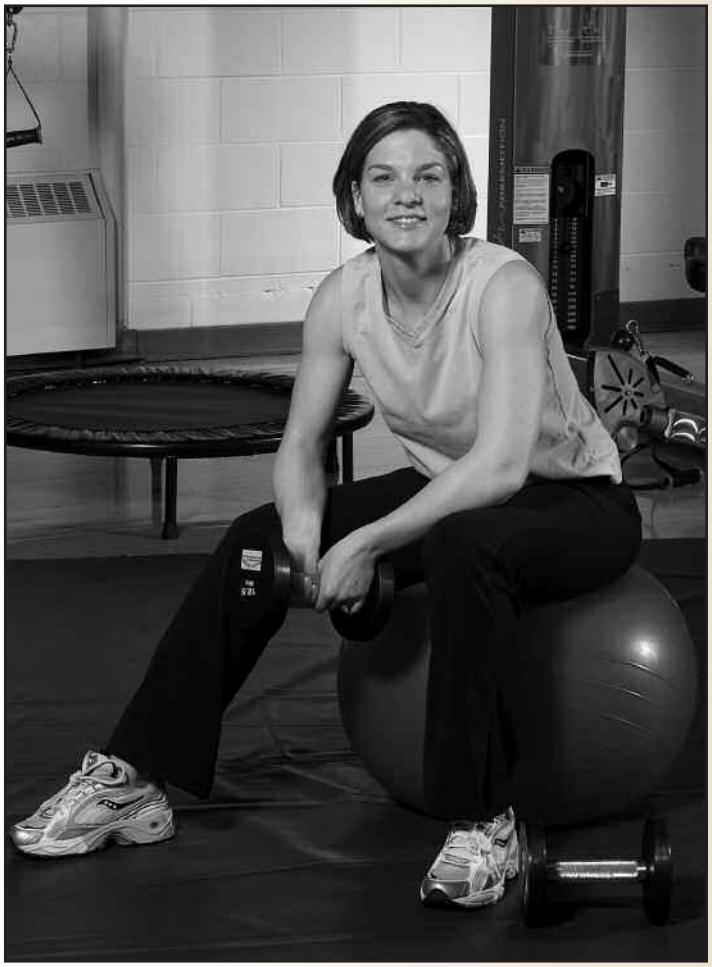
$1,388,484 over four years—Statewide
UW Medical School faculty: Patrick Remington, MD, MPH, Professor, Department of Population Health Sciences, Director, Wisconsin Public Health and Health Policy Institute, Faculty Director, MPH Program

Wisconsin Public Health Leadership Institute

In collaboration with the Medical College of Wisconsin (MCW), provide education and training resources for public health professionals. Build upon the experiences of national and regional public health leadership institutes and offer innovative education and training opportunities. Provide practitioners the knowledge and skills to lead health improvement efforts in communities throughout Wisconsin.

$100,000 over one year for planning in collaboration with MCW—Statewide
UW Medical School faculty: Patrick Remington, MD, MPH, Professor, Department of Population Health Sciences, Director, Wisconsin Public Health and Health Policy Institute, Faculty Director, MPH Program

BOB RASHID



Alison Gustafson

Community-Based Population Health Practice Fellowship Program

Alison Gustafson, RD, MPH, works with the Madison Department of Public Health through the OAC-supported Community-Based Population Health Practice Fellowship program. Gustafson, who began her fellowship in November 2004, focuses her efforts in three areas:

- **Working with the city's epidemiologist in preparing an environmental health report card for Madison,**
- **Participating in chronic disease surveillance throughout the city, with an emphasis of applying health data at the neighborhood level, and,**
- **Working closely with the Madison Mayor's office in the Fit City Initiative. "I collaborate with more than 30 community organizations. Together, we are encouraging people to exercise more and make healthier food choices," she says. She recently joined Madison Mayor Dave Cieslewicz in leading a fitness walk around the Capitol Square for downtown employees.**

Gustafson is one of two fellows who began their assignments recently. The other fellow, Benjamin Jones, works with the City of Milwaukee Health Department. Additional fellows will join the program in the future, training in health care organizations statewide.

Collaboration between the OAC and the Medical College of Wisconsin's Consortium for Public and Community Health

Collaboration and coordination between the OAC and the Medical College of Wisconsin Consortium on Public and Community Health (MCW Consortium) has occurred on a number of levels. Program staff at both institutions share information and consult frequently on program development and related issues. In addition, the OAC and the MCW Consortium communicate through joint meetings. The first meeting in August 2003 focused on development of the plan and the RfP. The next meeting in January 2005 focused on experiences with the community-academic partnership award process, and explored areas of collaboration.

As a result of the first joint meeting in August 2003, the OAC and the MCW Consortium formed two workgroups related to the RfP and to public health education and training (PHET). The RfP workgroup formed to assess issues related to the development of the application process for community academic partnership grants. The workgroup considered:

- Geographic focus
- Funding cycles
- Submissions
- Joint funding
- Applicant format
- Training sessions

The PHET workgroup provided a forum to discuss the public health education and training needs of the public health community, with particular attention paid to the development of the Public Health Leadership Institute (PHLI). Specifically, the workgroup's aims were to:

- Provide a focal point for sustainable collaboration on public health education initiatives between the UW Medical School and the Medical College of Wisconsin
- Address a target audience that encompasses both public and private individuals
- Work with new and existing educational training programs
- Assure involvement of the broader public health community
- Use the State Health Plan as a guiding resource

The PHET workgroup also had the following deliverables:

- Strategic recommendations for public health education and training in Wisconsin, in accordance with the five-year plans of the respective medical schools
- Strategic recommendations for specific, short-term, deliverable project(s)
- An assessment of public health education and training needs and initiatives in Wisconsin as it pertains to the charge of the group

As recommended by the PHET workgroup, a joint planning group for the PHLI, including representatives from both schools, their oversight committees, and public and community organizations, is currently underway. The first training opportunities will be launched in the fall of 2005. See the project description on page 18.

In addition, as a result of the aims of the PHET workgroup, the OAC created a subcommittee on public health education and training as described on page 17.

Future Directions

The Addendum to the Five-Year Plan outlines benchmarks and transformative steps in achieving goals of The Wisconsin Partnership Program. One important transformational step has been a strong partnership with public health departments at the state and local levels.

The OAC will continue to work with the Wisconsin Department of Health and Family Services on evaluating the progress of The Wisconsin Partnership Program in advancing the goals of *Healthiest Wisconsin 2010*, the State Health Plan. Both groups are working together to ensure the integration of the State Health Plan with funded initiatives. The Wisconsin Partnership Program staff meet regularly with state and local public health agencies to collaborate on education strategies, public events, symposia, and conferences. OAC members and program staff serve on the governor-appointed Public Health Council and the Wisconsin Public Health Advisory Committee.

An equally important transformational step has been to develop strong partnerships with community-based organizations which capitalize on the strengths of communities and the UW Medical School. Outreach to build collaborative relationships is an important aspect of The Wisconsin Partnership Program. More than 100 faculty members served as academic partners in grant proposals in 2004. Capitalizing on this early success, the OAC will continue to build successful partnerships which will include the following activities:

- Convening an annual meeting to bring national experts, and academic and community partners together to share lessons learned and to gain knowledge and insight into the advancement and sustainability of partnerships.
- Developing a quarterly newsletter, highlighting the funded programs, partners, and new funding opportunities.
- Promoting community partnership opportunities for UW Medical School faculty and staff through brown bag luncheons and faculty development seminars, highlighting successful models.
- Developing an online grant resource center and training for potential grant applicants.
- Developing areas of collaboration with the MERC.
- Maintaining a shared learning environment with MCW to facilitate the adoption of successful projects and new approaches in areas of high need, such as infant mortality.
- Working directly with individuals and organizations to develop successful partnerships and build capacity in program planning and funding strategies.

The OAC is now soliciting feedback from the public and reviewing the various elements of the Community-Academic Partnership program. The OAC will use this information to identify issues and potential improvements in the RfP and the review process. The 2005 RfP will be announced in late spring with funding decisions made by the end of this calendar year.

OAC ACHIEVEMENTS FOR 2004

- ***Established the following infrastructure to initiate community partnerships:***
  - **Created the RfP for community-academic partnerships.**
  - **Conducted statewide training to help community organizations respond to the RfP.**
  - **Recruited and trained experienced external reviewers to score and comment on the proposals.**
  - **Stimulated broad community and UW Medical School faculty interest in the program.**
  - **Established a subcommittee to provide oversight to the public health education and training initiatives.**
  - **Held joint meetings with the Medical College of Wisconsin Consortium on Public and Community Health.**
  - **Formed relationships with the MERC and promoted community engagement in research and educational activities.**
  - **Advanced community-based efforts to address the goals of the State Health Plan.**

- ***Funded community-academic partnerships***
  The OAC funded 33 grants totalling $5,872,764, including:
  - **$5,386,872 for 13 three-year Implementation Grants, and**
  - **$485,892 for 20 one-year Planning Grants.**
  - **79 percent were for programs aimed at eliminating health disparities.**
  - **27 percent were for programs with statewide focus.**
  - **40 percent were for programs with a rural focus.**
  - **49 percent were for programs with an urban focus.**

- ***Funded Community-population health initiatives and community-based public health education and training programs:***
  - **The Center for Urban Population Health and the Great Lakes Inter-Tribal Council, Inc., each received grants for a total of $599,540 for programs focusing on health disparities and urban and rural health concerns.**
  - **The UW Medical School's Public Health and Health Policy Institute received two grants for a total of $1,488,484 for community-based public health education and training programs; the Public Health Leadership Institute and for the Community-Based Population Health Practice Fellowship Program.**

All documents referred to in the preceding pages of this report can be found on The Wisconsin Partnership Fund for a Healthy Future Web site: www.med.wisc.edu/BlueCross/.

Medical Education and Research Committee (MERC)

Supporting Innovative Approaches to Enhance Education and Expand Research

Improving public health is complex, dynamic, and demanding. The challenge is to create conditions in which people can be healthy and to develop evidence-based actions that will help people lead healthier lives. Improved public health begins with confidence in the potential of advances in education and research leading to healthier communities.

Such a focus clarifies the boundaries of the UW Medical School's Medical Education and Research Committee (MERC). This committee is responsible for allocating and distributing funds designated for medical education and research through a carefully conceived plan of initiatives that advances population health. The MERC has broad representation, including members with comprehensive experience and expertise in all aspects of research, education, and public and community health, ensuring that a wide range of opinions is presented and debated.

The MERC focused on a balanced portfolio of research and educational initiatives.

Orientation

Upon approval of the Five-Year Plan by WUHF in March 2004, the MERC was appointed and began monthly meetings in June 2004. Committee members developed policies and procedures to consider expenditures aligned with the five focus areas of the Five-Year Plan:

- Innovations in Medical Education
- The Wisconsin Population Health Research and Clinical Trials Network
- Disease Genomics and Regenerative Medicine
- Molecular Medicine and Bioinformatics
- Emerging Opportunities in Biomedicine and Population Health

Initial MERC meetings served to orient members to all aspects of The Wisconsin Partnership Program, including the Insurance Commissioner's Order, the Agreement, the Five-Year Plan and the State Health Plan, as well as the responsibilities of the MERC and the OAC. Two MERC members representing the OAC, Susan Goelzer and Gregory Nycz, commented on development of the mission, vision, and guiding principles of The Wisconsin Partnership Program, and on the OAC's emphasis on community-academic partnerships. In addition, UW Board of Regents' liaison Patrick Boyle reviewed the Regents' responsibility for oversight of the program, and noted the prospects for improved population health as an outcome of the MERC's focus and dedicated efforts.

Subsequent MERC meetings focused on developing appropriate operating procedures as well as guidelines and standards for use of the funds. This included consideration of a proposal from the Dean of the Medical School to allocate a portion of the funds for strategic investments aligned with The Wisconsin Partnership Program. After discussion and analysis of the need for such an approach, the MERC decided that two-thirds of the available funds would be allocated by the MERC for the focus areas and related initiatives and one-third would be allocated by the Dean for strategic initiatives.

Framework for Decision Making

Following the decision regarding the strategic allocation, the MERC engaged in extensive discussions related to its philosophy, policies and processes. Topics included:

- Clarification of the functions of the MERC and relationships with the OAC.
- Creation of an executive subcommittee of focus leaders to develop ideas and agenda topics for the full committee.
- Overviews of the five focus areas and their alignment with The Wisconsin Partnership Program mission, vision, and guiding principles.
- Focus on a balanced portfolio of research and education initiatives spanning activities from the bench to the bedside to communities.
- Development of guidelines and criteria for prioritizing decision making.
- Development of guidelines and criteria for investment in strategic initiatives by the Dean.
- Definition of scope, process, and direction of a competitive Request for Proposals (RfP) aligned with the five focus areas.
- Development of a communication plan utilizing internal newsletters and the Web site.

These deliberations set the groundwork to guide the MERC in establishing its processes and procedures for decision making, leading to the development of three important foundation documents.

First, the MERC adopted the *Decision Matrix and Narrative*, which provides a model framework for an integrated strategy for funding the focus areas and emphasizes a comprehensive definition of research including health services research. The *Decision Matrix and Narrative* represents the continuum of activities—from biomedical research, to health services research, to knowledge transfer (education)—required to improve health care and the health of the public.

Second, the MERC adopted *Guidelines and Criteria for Review of Proposals,* which provides a ready reference on proposal development and evaluation for applicants as well as for the MERC. While this list below is just part of the overall *Guidelines,* the most promising proposals will be those that embody the following requirements:

- Maintain consistency with the mission, vision, and guiding principles of The Wisconsin Partnership Program
- Focus on targeted health priorities of the State Health Plan, *Healthiest Wisconsin 2010*
- Articulate the potential to improve the health of the public
- Eliminate health disparities across diverse groups
- Bridge traditional academic boundaries through interdisciplinary collaboration
- Foster increased community engagement
- Enable the Medical School to achieve greater levels of excellence in a more rapid and facile manner

Third, the MERC asked the Dean of the Medical School to develop guidelines and criteria for the Strategic Initiatives allocation. The underlying premise of this allocation is to take advantage of opportunities when they appear and to respond decisively to unmet needs. Use of these funds provides resources to quickly identify and respond to targets of opportunity.

As requested, the Dean developed *Guidelines and Criteria for the Strategic Initiatives Allocation* with the advice and endorsement of the MERC and the OAC. These guidelines focus on innovative projects that:

- Align with the goals and objectives of The Wisconsin Partnership Program
- Invest in bridging basic research with population health

Innovations in Medical Education

People are drawn to innovation because of the promise of a new idea. Such are the parameters of Innovations in Medical Education, a MERC-supported educational initiative of The Wisconsin Partnership Program. "We acknowledge our responsibility to the state and to the larger public health community to produce well-trained physicians who can succeed in the health care environment of today and tomorrow," says Susan Skochelak, MD, MPH, senior associate dean for academic affairs at the UW Medical School.

To meet the health care needs of the public, physicians must understand diverse patient populations, communicate leading-edge research in ways patients can appreciate, and have the ability to address the needs of multiple types of patients in all stages and from all walks of life.

TOM McINVAILLE

Medical student Raj Kakarla and Dr. Steven Barczi consult with patient.

The vision for Innovations in Medical Education acknowledges the broad spectrum that comprises medical practice today. "Physicians no longer work exclusively in hospital or clinic offices. Physicians are part of teams; sometimes they lead teams and other times they are members of teams. We are committed to developing programs in concert with educators who train these other team members, our partners in nursing, pharmacy, social work, and graduate education," Skochelak explains.

Innovations in Medical Education arrives at a time when the Institute of Medicine has recently reported the need for a stronger affiliation between medicine and public health. "The timing for us to create this program is perfect," she says.

- Close significant gaps in the health of the public through studies that engage communities
- Support initiatives that promote the transformation of the Medical School to an integrated School of Medicine and Public Health
- Promote short-term translational projects with potential for long-term health impact with a focus on health promotion, disease prevention, and health disparities

Funding MERC Initiatives

After establishing these policies, the MERC addressed population health improvements as related to the five focus areas. Using the Decision Matrix as a guide, the MERC asked for Planning Grant proposals for two of the five focus areas: the Wisconsin Population Health Research and Clinical Trials Network, and Disease Genomics and Regenerative Medicine. Because the specific components of Innovations in Medical Education were delineated in the plan, the MERC requested an Implementation Grant proposal from this focus area.

These proposals were approved in October 2004 and are described in the following section. Each Planning Grant recipient has been asked to submit an Implementation Grant proposal to the MERC in late spring of 2005.

The following section describes the Education, Research, and Strategic Initiative awards approved in 2004.

Education

The UW Medical School is known for the quality of its educational programs. However, the challenges of an increasingly diverse and aging population require that a significant number of future physicians incorporate public health principles into the practice of medicine. The UW Medical School is committed to leveraging the resources of The Wisconsin Partnership Program for the greatest public good: to lead the nation in health professions and public health education.

Important steps have already been taken. The Medical School is developing and encouraging collaborative relationships between medicine and public health. With its affiliated disciplines—such as nursing, veterinary medicine, pharmacy and social work—the Medical School is developing new ways to train the future public health workforce. Support from The Wisconsin Partnership Program has enabled these substantive changes to begin.

In support of these aims, the MERC approved funding for the Innovations in Medical Education focus area.

Innovations in Medical Education

This award comprises the following components:

- **Curriculum Innovation**
  Create an innovative new curriculum for Wisconsin physicians. Focus on population health sciences, epidemiology, health services research and health policy, combined with the strength of an interdisciplinary approach to learning. Enable the new generation of physicians to acquire a sharper focus in matters of population health, cultural diversity, and access to health care services.
- **Clinical Skills T eaching and Assessment Center**
  Expand on the center's strong programs for medical students, residents, practitioners, and health professions students to demonstrate and refine their skills. Strengthen the center's training of health professions students so that they are better prepared to work with patients from a variety of cultures and backgrounds. New resources in the center will provide clinical skills testing on demand, increase the diversity of trained standardized patients, and support added initiatives such as EMT training and continuing professional development.
- **Statewide health car e distance education**
  Develop new learning methods, such as Web-based and distance education approaches, for a new cadre of health professions students. Enable the Medical School's new Health Sciences Learning Center to become an electronic resource on population health for health professionals and for the people of Wisconsin.

$1,075,000 per year over three years
Focus Ar ea: Innovations in Medical Education
UW Medical School faculty: Susan Skochelak, MD, MPH, Professor, Department of Family Medicine, Senior Associate Dean for Academic Affairs

Research

Only through support of a balanced portfolio of research can The Wisconsin Partnership Program achieve its mission to make Wisconsin the healthiest state. Basic research, for example, is the beginning of a process that produces insights, sometimes unexpected, that can be applied to prevention and clinical care. Applied and clinical research has a more direct and profound bearing on the health and well-being of patients. Population health and health services research translates and applies biomedical knowledge to improve the health of the public. Such research attempts to close the gap between "what we know" and "what we do." This

broad perspective of research, from basic to applied to population health, has been the basis of the MERC's awards.

In 2004, the MERC approved funding for Planning Grants for three research projects to improve population health. Each Planning Grant recipient was asked to develop a detailed plan for:

- Implementation and scope of work
- Processes for measuring success
- Analyzing how the project addresses the goals and objectives of The Wisconsin Partnership Program
- Addressing a process for reducing The Wisconsin Partnership Program support to a minimal level

Each plan will be presented to the MERC for review before a final decision on further funding is reached.

Survey of the Health of W isconsin (SHOW)

Survey 2,000–3,000 Wisconsin residents to monitor health status, health care access and utilization; assess trends; and provide key insights into determinants of health in Wisconsin communities. Provide a resource for assessment of health needs and evaluation of community and statewide health improvement initiatives. Engage communities throughout the state, interact with county health departments, and work with rural and urban groups to build understanding and collaboration with the UW Medical School.

$128,749 over six months
Focus Ar ea: Wisconsin Population Health Research and Clinical Trials Network
UW Medical School faculty: Javier Nieto, MD, PhD, Professor and Chair, Department of Population Health Sciences

Survey of the Health of Wisconsin (SHOW)

BOB RASHID

Imagine for a moment the challenge of determining the health status and health care needs of a population of more than five million residents. This challenge includes a blend of rural and urban interests and a range of cultures and health concerns.

Accurately assessing the health of Wisconsin is the challenge that Javier Nieto, MD, PhD, and colleagues in the Department of Population Health Sciences at the UW Medical School are undertaking with SHOW.

The survey of 2,000–3,000 randomly selected Wisconsin residents each year will monitor health and wellness, establish determinants of health, and assess health care trends in the population.

"We see this as a platform for researchers to ask questions as health priorities evolve—not just in the basic sciences but also in health services research," says Nieto.

"We have good data on mortality. But mortality is the ultimate health problem. SHOW will provide us detailed information on the types of health concerns that affect quality of life and have a direct relation to health care costs," he says.

Project staff will work with communities to understand specific health concerns and then measure the depth and significance of the issue. SHOW will be specific to community needs, and will also explore household determinants of health, such as water quality assessments and analyses of household dust samples for traces of allergens and toxic substances.

Wisconsin Clinical T rials Network

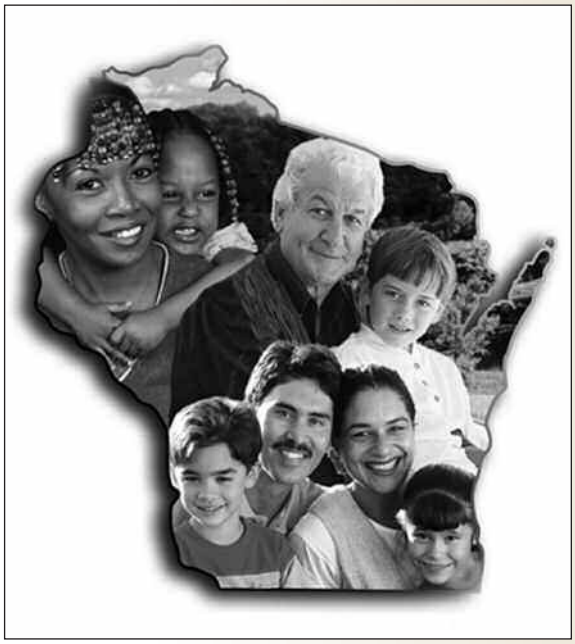
Provide state-of-the-art clinical trials, therapies, and prevention strategies to a broad base of residents throughout Wisconsin. Facilitate statewide access to clinical trials across many disciplines, such as cardiology, aging and Alzheimer's disease, asthma and pulmonary disease, women's health, and population health issues such as disease prevention and health care delivery. Develop new collaborative relationships and strengthen affiliations with existing partners.

$137,434 over six months
Focus Ar ea: Wisconsin Population Health Research and Clinical Trials Network
UW Medical School faculty: David DeMets, PhD, Professor and Chair, Department of Biostatistics and Medical Informatics

Human Pr oteomics Pr ogram

Explore the molecular basis for human health and disease through proteomics, the study of cellular proteins and their functions. Provide early screening for a variety of diseases and improve the efficacy of therapeutic regimens. Through the research infrastructure developed by this program, transform the approach of UW basic and clinical scientists in their studies of human disease.

$65,000 over six months
Focus Ar ea: Disease Genomics and Regenerative Medicine
UW Medical School faculty: Richard Moss, PhD, Professor and Chair, Department of Physiology



Wisconsin Clinical Trials Network

The Wisconsin Clinical Trials Network is designed to deliver the benefits of leading-edge research to communities statewide. The basic concept is to create an efficient network of sites for clinical trials. Trial protocols, says network director Howard H. Bailey, MD, Associate Professor, Department of Human Oncology, UW Medical School, could be generated by any participating site. "Our goal is to improve how we conduct clinical research, and help researchers throughout the state pursue their inquiries more effectively," says Bailey. Another important goal of the network is to facilitate greater representation in clinical trials of rural residents and minority populations.

Bailey, a cancer researcher, says the network will cross many disciplines and be especially useful in population health research. "We expect to conduct clinical trials across many disciplines, from cardiology, asthma and pulmonary disease, to aging and Alzheimer's Disease, and women's health." The Wisconsin Clinical Trials Network will also enable researchers to focus on prevention strategies, and translational research.

"The people of Wisconsin will have expanded access to clinical trials studying new diagnostic, preventive, and therapeutic interventions. Statewide practitioners will have an opportunity to participate in and have more rapid access to advances in health care." Bailey believes that current and planned discussions with health providers throughout the state will lead to a research network that encompasses 90 percent of the state's counties.

Strategic Initiatives

As described previously, the MERC determined that one-third of annual program funding would be designated for Strategic Initiatives to be awarded by the Dean of the Medical School. In accordance with the *Guidelines and Criteria for the Strategic Initiatives Allocation* and with the advice and endorsement of the MERC, the Dean made the following four awards:

Master of Public Health

Provide students and practitioners with the population-based tools to improve the health of communities in Wisconsin. Incorporate a strong foundation of interdisciplinary support from family medicine, biostatistics, medical informatics, nutritional sciences, nursing, pharmacy, veterinary medicine, social work, and many other departments. Develop dual degrees with the Medical, Nursing, and Law schools, and with the LaFollette Institute of Public Policy.

$1,935,120 over five years
UW Medical School faculty: Patrick Remington, MD, MPH, Professor, Department of Population Health Sciences, Director, Wisconsin Public Health and Health Policy Institute, Faculty Director, MPH Program

Susan Skochelak, MD, MPH, Professor, Department of Family Medicine, Senior Associate Dean for Academic Affairs

Making W isconsin the Healthiest State

Characterize the health of Wisconsin communities, with particular attention to the distribution of health disparities across the state. Compare Wisconsin's health with that of other states and provide tools to track progress in becoming the healthiest state. Make recommendations for community interventions that will yield the highest possible health-related benefit for the investment.

$820,343 over four years
UW Medical School faculty: David Kindig, MD, PhD, Professor Emeritus, Department of Population Health Sciences

Wisconsin Alzheimer's Institute

Improve the quality of life for persons with Alzheimer's Disease and their families through early diagnosis, treatment and support. Provide practical benefits of research and teaching at the UW Medical School through a statewide network of diagnostic and treatment centers. Recruit individuals for the Wisconsin Registry for Alzheimer's Prevention, and involve significantly more rural participants and minority populations in research projects.

$375,000 over five years
UW Medical School faculty: Mark Sager, MD, Professor, Department of Medicine, and Director, the Wisconsin Alzheimer's Institute

Impr oving Cancer Car e in W isconsin

Develop, in partnership with the Wisconsin Division of Public Health and other statewide partners, the Wisconsin Cancer Control Plan for 2005–2010. Survey 1,000 cancer patients regarding quality of care, with the goal of improving outcomes for patients and families. Establish a coordinated program to translate evidence-based results to practitioners statewide on issues such as colorectal screening, cancer pain, and palliative care. Enhance cancer care and patient outcomes in rural populations.

$450,000 over 16 months
UW Medical School faculty: George Wilding, MD, Professor, Department of Medicine, and Director, UW Comprehensive Cancer Center

Future Initiatives

New Investigator Program

In December 2004, the MERC turned its attention to developing a Request for Proposals for newly appointed Medical School assistant professors. It is a significant opportunity for new faculty to propose innovative programs promoting the goals and objectives of The Wisconsin Partnership Program. This process is highly competitive with the objective of selecting creative projects that have the greatest potential for significant impact.

The MERC is seeking proposals that advance biomedical sciences; facilitate the application of science to prevention, diagnosis, and treatment of disease; and, in collaboration with communities, promote the application of translational research.

One million dollars will be allocated annually to the New Investigator Program, to be divided one-third and two-thirds from the Strategic Initiatives allocation and from the MERC, respectively. Awards will be up to $100,000 per proposal. There will be two funding cycles per year with up to five awards each cycle for a maximum of ten awards per year. Details on these awards will be presented in the next annual report covering expenditures through December 31, 2005.

UW Health Care Improvement Program

Early in 2005, the MERC provided start-up funding for an innovative program to improve health care delivery and health outcomes for the people of Wisconsin. The goal of the UW Health Care Improvement Program is to promote increased involvement of UW faculty and clinicians in health services research. The aim of this program is to create new knowledge and models of care, in partnership with health care providers and communities statewide, that address quality, safety, effectiveness of care, access, and timeliness. Funding for this program will be divided equally between the Strategic Initiatives allocation and the MERC. Detailed information will be provided in the next annual report.

MERC ACHIEVEMENTS FOR 2004

- ***Established policies and procedures to consider proposals aligned with the five focus areas, and created three foundation documents to guide decision making:***
  - **Decision Matrix and Narrative**
  - **Guidelines and Criteria for Review of Proposals**
  - **Guidelines and Criteria for the Strategic Initiatives Allocation**
- ***Promoted the development of ongoing communication with the OAC.***
- ***Funded a total of $7,136,646 for one Implementation Grant, three Planning Grants, and four Strategic Initiatives as follows:***
  - **Innovations in Medical Education**
  - **Planning Grants for the Survey of the Health of Wisconsin, the Wisconsin Clinical Trials Network, and the Human Proteomics Program**
- ***Endorsed four Strategic Initiative awards granted by the Dean:***
  - **Master of Public Health (MPH) Program**
  - **Making Wisconsin the Healthiest State**
  - **Wisconsin Alzheimer's Institute**
  - **Improving Cancer Care in Wisconsin**

All documents referred to in the preceding pages of this report can be found on The Wisconsin Partnership Fund for a Healthy Future Web site: www.med.wisc.edu/BlueCross/.

A Flow of Ideas Between the OAC and the MERC

While the OAC and the MERC each have different objectives, it is crucial that the same clear and unified vision drives the purpose of each: to improve the health of Wisconsin residents. With its strong community perspective as a base, the OAC provides advice and comment on the use of The Wisconsin Partnership Program funds for medical education and research as allocated by the MERC.

To encourage the flow of ideas between the OAC and the MERC, the Medical School invited the OAC to nominate two representatives, one faculty and one public member, as voting members of the MERC. The appointment of a public member from the OAC emphasized the value that the UW Medical School placed on ensuring a community perspective in the decisions regarding program funding devoted to education and research.

A clear vision drives the purpose of each committee: to improve the health of Wisconsin residents.

The two OAC members, Susan Goelzer, MD, MS, Chair and Professor, Department of Anesthesiology at the UW Medical School; and Gregory Nycz, Executive Director of the Family Health Center of Marshfield, Inc., provided a community-based perspective to discussions. Goelzer and Nycz also reported to the OAC on MERC-related activities and solicited perspectives on MERC projects and activities from other OAC members. The OAC's representatives on the MERC, along with Philip M. Farrell, MD, PhD, Dean of the UW Medical School and chair of the OAC, played an important role in articulating the purpose attached to these funds: to optimize health for the people of Wisconsin in partnership with communities. Moreover, the Dean has sought the advice of the OAC on each of the Strategic Initiative proposals before making a decision on funding.

To further information-sharing between the two committees, the OAC has hosted periodic presentations on key focus areas embraced by the MERC. More recently, the OAC has hosted presentations from faculty members who have received MERC awards. The purpose of the presentations is to provide a direct opportunity for OAC members to learn how the initiatives will engage communities, and to address specific questions.

The insights gained by the OAC through interactions with communities statewide benefit both committees. Through its representatives on the MERC, the OAC has promoted discussion of community engagement in both research and educational activities. Such efforts support the Medical School's transformation to an integrated School of Medicine and Public Health.

The OAC appreciates and values the level of communication and interaction that has been achieved with the MERC. Discussion of potential areas of collaboration, including a plan for development of a joint evaluation process, will be an important topic for both committees in 2005.

Faculty Presentations

- "Innovations in Medical Education," Susan Skochelak, MD, MPH, Professor, Department of Family Medicine, Senior Associate Dean for Academic Affairs
- "Master of Public Health," Patrick Remington, MD, MPH, Professor, Department of Population Health Sciences, Director, Wisconsin Public Health and Health Policy Institute, Faculty Director, MPH Program
- "Survey of the Health of Wisconsin (SHOW)," Javier Nieto, MD, PhD, Professor and Chair, Department of Population Health Sciences
- "Human Proteomics Program," Richard Moss, PhD, Professor and Chair, Department of Physiology
- "Improving Cancer Care in Wisconsin," George Wilding, MD, Professor, Department of Medicine, Director, UW Comprehensive Cancer Center (UWCCC) and James Cleary MD, Associate Professor, Department of Medicine, Program Director, UWCCC
- "Wisconsin Clinical Trials Network," David DeMets, PhD, Professor and Chair, Department of Biostatistics and Medical Informatics, and Howard Bailey, MD, Associate Professor, Clinical Oncology, Department of Medicine
- "Wisconsin Alzheimer's Institute," Mark Sager, MD, Professor, Department of Medicine, Director, Wisconsin Alzheimer's Institute

OAC Review and Assessment of the Allocated Percentage of The Wisconsin Partnership Funds

As required in the addendum to the Five-Year Plan and in the Agreement, the OAC reviewed and assessed the allocation percentage for public health and medical education and research initiatives on March 18, 2005. Susan Goelzer and Greg Nycz led the discussion in their capacity as the OAC's representatives on the MERC. The OAC concluded that there was insufficient information to advise on the appropriateness of the allocation, and a comprehensive assessment was premature at this time. In making this decision, the OAC considered the following evolving activities:

- The OAC just completed its first grant cycle and funded programs only recently begun
- The MERC is in the process of completing its first grant cycle
- The transformation of the UW Medical School into an integrated School of Medicine and Public Health is emerging
- The MPH program will be launched in 2005
- The statewide health care distance education program is yet to be developed

The OAC discussed the importance of establishing a process to ensure that sufficient information would be available to assess the appropriateness of the 65% and 35% allocation on an annual basis. The OAC also recognized that future discussions of modifications in the allocation percentage must take into account the duration of all funding commitments. By a unanimous vote, the OAC agreed that the allocation, 35 percent for public health initiatives and 65 percent for medical education and research initiatives, should remain unchanged for 2005 and that a structured process for future decision making on the allocation should be established. Furthermore, the OAC is committed to developing a comprehensive evaluation process in the current year as described on page 33 of this report. This process will include a discussion of the parameters for evidence-based decision making on the annual allocation of funds.

Evaluation

In the coming months the OAC and the MERC will begin a collaborative planning effort to help define quantitative and qualitative ways to evaluate the effectiveness of The Wisconsin Partnership Fund's activities. Ongoing assessment of performance and progress toward realizing the goals and objectives of the Five-Year Plan will also provide guidance for development of the next Five-Year Plan.

An ongoing evaluative process will help determine if we are accomplishing our goals and achieving our vision.

This long-term goal of integrating an ongoing evaluative process into activity cycles will help determine whether the mission and vision of The Wisconsin Partnership Fund are being realized. For example, an important goal is the transformation of the UW Medical School into an integrated School of Medicine and Public Health. Progress toward this goal began with the approval of the Master of Public Health by the UW System Board of Regents, and is continuing with the awards for Innovations in Medical Education and for population health research. Additionally, the Medical School is proposing to change its name to the School of Medicine and Public Health. Progress toward achieving transformation will be a critical part of the evaluation.

Another important goal in determining success is realizing the vision of The Wisconsin Partnership Program to make Wisconsin the nation's healthiest state. "Making Wisconsin the Healthiest State," a Strategic Initiative led by UW Medical School Professor Emeritus of Population Health Sciences, David A. Kindig, MD, PhD, will provide data on the health status of Wisconsin relative to other states and will offer recommendations on achieving this goal.

The OAC and the MERC will form an evaluation team to design a comprehensive evaluation plan. Focus areas for the evaluation will include the following topics:

- Monitoring program compliance, processes, and effectiveness
- Evaluating impact of each award
- Providing feedback on collective achievements and areas for improvement
- Monitoring progress on advancing the goals of the State Health Plan, *Healthiest Wisconsin 2010*
- Monitoring progress of the transformation of the UW Medical School to a School of Medicine and Public Health
- Monitoring progress on achieving the vision of making Wisconsin the healthiest state
- Assessing the allocation of funding priorities
- Building strong grantee relationships
- Strengthening community-academic partnerships
- Effectively communicating program results

In addition, Innovations in Medical Education will be evaluated through a partnership with the Learning through Evaluation, Adaptation, and Dissemination (LEAD) Center. The UW–Madison-based LEAD Center consults with faculty and program administrators nationwide in evaluating impact and improving strategies of educational programs.

The OAC and the MERC look forward to implementing this evaluative process as a strategy that will allow everyone participating to measure the progress and effectiveness of The Wisconsin Partnership Fund for a Healthy Future.

Wisconsin Partnership Annual Report Financial Overview

History

On March 25, 2004, with execution of the *Agreement Between the Wisconsin United for Health Foundation, Inc. (WUHF), the University of Wisconsin Foundation and the University of Wisconsin System Board of Regents* (the Agreement) a total of $296,598,534 was released from WUHF to the UW Foundation. The funds were released with the following stipulations: $30 million ($30,000,000) was made immediately available for expenditure, $100 million ($100,000,000) was to be endowed with only income available for expenditure and $166,598,534 was to be invested but not available for expenditure. The agreement calls for the final $166.6 million to be released by WUHF in subsequent years upon successful review and acceptance of the annual reports submitted by The Wisconsin Partnership Program.

All associated revenues of The Wisconsin Partnership Program have been accounted for in segregated accounts at the UW Foundation, as prescribed in the Agreement. In addition, all expenditures of the program have been accounted for in separate accounts within the Medical School.

Budgets

The Wisconsin Partnership Program agreed to adopt an annual budget based on the income that would be available if the entire $296.6 million had been endowed. Using a projected return of 4.75 percent, a total annual budget of $14.1 million was arrived at for a full 12-month period. For the period covered by this report, this amount was prorated for the actual nine months of operation, April through December 2004. To fund the annual budget the program will be expending income available from the $100 million endowed under the Agreement as well as a portion of the $30 million made fully available. All funds and income are allocated 65 percent for Medical Education and Research Initiatives and 35 percent for Public Health Initiatives.

Administrative expenses were $513,038 for the period of January 2003 through December 2004 (two years). The administrative budget for 2005 is $451,900. Based on an annual budget of $14.1 million, this represents approximately 3 percent for administration. Administrative expenses are detailed in the Annual Report Financial Notes on page 44.

The Medical School also provides in-kind support for administrative expenses from the Offices of the Dean and Vice Dean, Fiscal Affairs, Legal Services, Public Affairs, and Information Technology. The OAC and the MERC approved the administrative budget on April 12, 2004, and July 21, 2004, respectively. Discussion and reaffirmation of the 2005 administrative budget was completed by the OAC on February 23, 2005. The two committees will review and approve the administrative budget prior to November 30 each year.

As agreed by the OAC and the MERC, The Wisconsin Partnership Program will adjust subsequent budgets based on unexpended funds from previous years. Following this process, and noting that actual expenditures during 2004 would be limited, the OAC established the following funding targets for awards to be made in 2004 and expended in 2005 and beyond:

- $500,000 for Collaboration Planning Grants ($25,000 maximum, one-year duration)
- $5.4 million for Collaboration Implementation Grants ($150,000 annual maximum, one to three year duration)
- $1.5 million for Community-Based Public Health Education and Training Grants (one- to four-year duration); and
- $600,000 for Community Population Health Initiative Grants (two-year duration)

The decision to award grants in excess of the expected annual budget was made to "jump start" the program. It is expected that amounts for grants to be awarded in 2005 and 2006 will decrease to eventually reach a level consistent with expected annual revenues.

The MERC followed a similar budget model by setting funding equal to 65 percent of the total annual budget, which amounted to $9.2 million. The annual budget was subcategorized into education and research initiatives as a means of addressing the five core focus areas of excellence. Funded projects during 2004 included:

- Three Planning Grants amounting to $331,000 with a 6-month duration
- One Education Grant for $3,225,000 with a three-year duration
- Four Strategic Initiative awards amounting to $3,580,000 with durations between two and five years.

Project Management

Management of the grant funds is consistently applied whether the funding is external to community organizations or internal to the university. Areas of project management include:

- Every proposal must include a budget, which is reviewed at the proposal stage and then at the award stage. Throughout the length of the grant award, the budget is used as a benchmark for funding expenditures and determining progress on the project.
- Every proposal includes a non-supplanting certification, which is reviewed and any issues are addressed, at the proposal stage. Throughout the length of the grant award, the community organization or faculty recipient is required to recertify non-supplantation with each request of funding.
- Every awarded project has a Memorandum of Understanding (MOU), which is a contract between the recipient and The Wisconsin Partnership Program.
- Approval of individual projects is made either by the OAC, by the MERC, or by the Dean with the endorsement of the MERC, accordingly, and processed in accordance with UW–Madison policies. The UW System Board of Regents provides broad oversight of The Wisconsin Partnership Program through its liaison, Regent Emeritus Patrick Boyle. The Board of Regents also approves all new award budgets throughout the UW System, which include those made by The Wisconsin Partnership Program. Additionally, contracts with community partners are executed by UW–Madison under delegated authority and reported to the Regents.
- Each proposal is entered into The Wisconsin Partnership Program database for tracking of program requirements and reporting.

Non-supplanting Policy

As outlined in the *Decision of the Commissioner of Insurance in the matter of the Application for Conversion of Blue Cross & Blue Shield United of Wisconsin*, Wisconsin Partnership funds may not be used to supplant funds or resources that are available from other sources. Written determinations that supplanting has not occurred must be made annually by the Medical School and furnished to the OAC and the MERC. The Medical School has designed a review process for determination of non-supplanting to ensure compliance with this provision. This review process was presented to and approved by the Wisconsin United for Health Foundation, Inc., as an addendum to the Five-Year Plan.

Initial Award

All funding approvals by the OAC or by the MERC are subject to review of supplanting issues and execution of an MOU between The Wisconsin Partnership Program and the recipient. The Medical School has developed a questionnaire that must be completed by all applicants and recipients of funds. This includes recipients internal and external to the Medical School, as well as all recipients of OAC, MERC, or Strategic Initiative awards. The questionnaire, along with financial statements from external recipients, is reviewed by the Assistant Dean for Fiscal Affairs as part of the technical review process and development of the MOU. In the case of internal awards, the Assistant Dean also takes into consideration the Medical School budget, including existing grant funding. Any potential supplanting concerns are discussed with the applicant. Resolution of concerns may include a budget modification or reduction. Funds will not be awarded if there is a determination that supplanting would or is likely to occur. Any unresolved supplanting questions are brought to either the OAC or the MERC, as appropriate. An appeal process is available in the case of a dispute between the Assistant Dean and the recipient.

Subsequent Funding

Additionally, as part of the quarterly financial reporting process, each recipient is required to certify that supplanting has not occurred. Recipients of multi-year awards are required to complete a new questionnaire annually.

Annual Report

Based on the non-supplanting determination made by the Assistant Dean for Fiscal Affairs, the Dean of the Medical School has attested to compliance with the supplanting prohibition in the annual report. The UW–Madison Vice Chancellor for Administration has also attested that UW–Madison and the UW System have complied with the supplanting prohibition.

Memorandum of Understanding

All applications approved for funding require a Memorandum of Understanding (MOU) between The Wisconsin Partnership Program and the community organization or the faculty recipient. Acceptance of a grant award requires the grantee to be aware of and comply with the terms and conditions of the award as specified in the MOU. In addition, the MOU provides a mechanism for the OAC and the MERC to monitor progress of their respective awards. The MOU for each project includes a timeline for performance reports to the OAC or to the MERC, as appropriate, which allows for ongoing assessment. Performance reports will include specific information as it relates to progress toward stated goals and the objectives of the State Health Plan. The MOU also includes the following compliance and grant management issues:

- Health Insurance Portability and Accountability Act (HIPAA) Compliance
- Human Subjects Compliance
- Public Records
- Trade Secret and Proprietary Information
- Intellectual Property

Accounting

The financial report that follows consolidates activities of the UW Foundation and the UW Medical School. Program information provided in the financial report relates to the period of January 1, 2003, through December 31, 2004 (2 years). Revenues consist of investment income and market valuation for the period of March 2004 through December 2004. Expenditures consist of administrative and program costs. All expenses and awards are reported as either Public Health Initiatives (OAC–35 percent) or Medical Education and Research Initiatives (MERC–65 percent). Approved awards have been fully accrued as a liability less current year expenditures as shown on page 37.

The Wisconsin Partnership Fund for a Healthy Future

Financial Report – UNAUDITED

BALANCE SHEET
December 31, 2004

Assets	
Current Investments	$172,898,899
Non Current Investments	139,639,885
Total Assets	$312,538,784
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	$ 15,881
Grants Payable	15,010,268
Total Liabilities	$ 15,026,149
Net Assets***	
Unrestricted	$ 17,843,913
Temporarily Restricted	170,923,639
Permanently Restricted	108,745,083
Total Net Assets	$297,512,635
Total Liabilities & Net Assets	$312,538,784

*** *See further discussion on page 41.*

The Wisconsin Partnership Fund for a Healthy Future

Financial Report – UNAUDITED

INCOME STATEMENT
For the Period January 1, 2003, through December 31, 2004

Revenues	
Gifts Received	$296,598,534
Investment Income	1,196,306
Realized gains/(losses) on investments	15,328,267
Total Revenues	$313,123,107
Expenditures	
Public Health Initiatives	
Administrative Expenditures	$ 179,563
Grant Expenditures	7,960,788
Medical Education & Research Initiatives	
Administrative Expenditures	333,475
Grant Expenditures	7,136,646
Total Expenditures	$ 15,610,472
Net Increase/(Decrease) in Net Assets	$297,512,635

The Wisconsin Partnership Fund for a Healthy Future

Financial Report – UNAUDITED

UNRESTRICTED FUNDS—REPORT OF CASH FLOWS
For the Period January 1, 2003, through December 31, 2004

Unrestricted Funds–Increases	
Gifts	$30,000,000
Investment Income	669,980
Assets Released from Restriction	2,784,405
Total Unrestricted Funds Increases	$33,454,385
Unrestricted Funds–Decreases	
Public Health Initiatives	
Administrative Expenditures	$ 174,005
Grant Expenditures	27,140
Medical Education & Research Initiatives	
Administrative Expenditures	323,152
Grant Expenditures	60,026
Total Unrestricted Funds Decreases	$ 584,323
Total Unrestricted Funds as of December 31, 2004	$32,870,062

Annual Report Financial Notes

Cash and Investments

The financial resources available to support The Wisconsin Partnership Program's grants for the period March 25, 2004, through December 31, 2004, are generated from funds released by the Wisconsin United for Health Foundation, Inc. (WUHF), as prescribed in the Agreement. All funds are housed and managed by the UW Foundation. As needed, funds are transferred to the Medical School to reimburse relevant expenses.

Unrestricted funds were derived from the $30 million that was designated as unrestricted under the Agreement plus endowment distributions from the $100 million required to be endowed under the Agreement. Principal of the $100 million plus undistributed earnings are treated as restricted funds. The final $166.6 million, which is temporarily restricted from use, along with earnings on that amount, is treated as temporarily restricted funds. Temporarily restricted funds are expected to be released in 2005, 2006, and 2007. The value of cash and investments at the UW Foundation on December 31, 2004, was $312 million.

Current Investments

Current investments are comprised of participation in two investment portfolios at the UW Foundation, the expendables portfolio, and the enhanced cash portfolio. The objective of the expendables portfolio is to preserve principal and provide a competitive money market yield. Typically, gifts placed in the expendables portfolio have a short time horizon, usually less than five years. The expendables portfolio is mainly invested in intermediate duration fixed income securities. The UW Foundation has identified a level of the expendables portfolio that is stable over a long-term horizon and this percent is invested in higher returning asset classes. The objective of the enhanced cash portfolio is to preserve principal over a one-year period and earn a superior return on cash equivalent instruments. The enhanced cash portfolio is invested in a combination of money market funds and absolute return strategies.

Non-Current Investments

Non-current investments consist of participation in the UW Foundation endowment portfolio. The objective of the endowment portfolio is to achieve a long-term annualized return that creates a stream of income to fund programs of the Five-Year Plan, preserves the real value of the funds, and provides for real growth. To achieve this objective, the endowment is invested in a diversified portfolio that includes U.S. and international equity, fixed income, real assets, alternative assets and cash equivalents. The UW Foundation utilizes quantitative methods to maximize the target return, while minimizing the risk. The UW Foundation recognizes that individual investments or asset classes within the endowment will be volatile from year to year, but believes that this risk will be mitigated through diversification of asset classes and investments within asset classes.

Investment Strategy

The investment strategy consists of two steps. First, the immediately available unrestricted funds were invested in the expendables portfolio as spending was expected to occur over a limited multi-year period. Second, for the temporarily restricted and restricted funds, the UW Foundation prepared a dollar-cost average schedule that would invest the funds into the endowment over a seven-quarter period. The benefit of a dollar-cost average plan is to spread the market risk over a longer period of time, minimizing the risk and volatility of a considerable market decline. Upon receipt of the funds, a portion was invested in the endowment immediately, while the remaining value of the funds was invested in the enhanced cash portfolio. At each quarter end, another portion of the funds was invested in the endowment as determined by the dollar-cost average schedule. The entire amount of the funds will be invested in the endowment by the third quarter of 2005.

Liabilities – Grants Payable

Grants payable are recorded as of the date of approval by the OAC or the MERC. The liability reflects the total amount of the grant award, which ranges from one year to five years in length, less any expenditures incurred prior to December 31, 2004. Any subsequent modifications to grant awards are recorded as adjustments of the grant expenditures in the year the adjustment occurs. Grants payable at December 31, 2004, are as follows:

GRANTS PAYABLE

Year	Public Health (OAC–35%)	Medical Education & Research (MERC–65%)	Total
Dec. 31, 2005	$2,753,218	$1,801,223	$ 4,554,441
Dec. 31, 2006	2,385,677	2,192,055	4,577,732
Thereafter	2,794,753	3,083,342	5,878,095
Total	$7,933,648	$7,076,620	$15,010,268

Net Assets

Net assets are divided into three components: unrestricted, temporarily restricted, and permanently restricted, based on the Agreement with WUHF, UW Foundation, and UW System.

- Unrestricted net assets related to funds that are not limited by imposed stipulations of the Agreement and are available for the designated purposes of the Wisconsin Partnership Program.
- Temporarily restricted net assets relate to funds that will be released by WUHF in future periods. These funds are limited in use by imposed stipulations of the Agreement that expire by the passage of time and fulfilled actions of the Wisconsin Partnership Program.
- Permanently restricted net assets relate to funds held in permanent endowment status with income available on an annual basis.

Income Statement

Revenues

Revenues for the period of January 1, 2003, through December 31, 2004, consist of three components: (1) the initial one-time transfer from WUHF in the amount of $296,598,534 on March 25, 2004, which was in accordance with the Agreement; (2) investment income, which has been recorded as earned throughout 2004; and (3) net realized gains/(losses) on investments, which represents the difference between the original cost of investments and the sales proceeds (realized) or the fair market value at the end of 2004 (unrealized).

Expenditures

Expenditures for the period of January 1, 2003, through December 31, 2004, consist of grant awards, as described above, and administrative expenses. All expenses fall under one of the two major components identified in the Five-Year Plan:

- Public Health Initiatives (OAC–35 percent)
- Medical Education and Research Initiatives (MERC–65 percent)

Grant award expenditures by major component at December 31, 2004, are as follows:

Project Title	Funding Source	Type	Expended As of 12/31/04	Grants Payable	Project Total
Community-Based Population Health Practice Fellowships	OAC	S/E	$22,646	$1,365,838	$1,388,484
Wisconsin Public Health Leadership Institute	OAC	S/E	4,494	95,506	100,000
Center for Urban Population Health—Health Multi-level Information Systems and Health Promotion Interventions for Milwaukee's School Children	OAC	S/R	-	299,839	299,839
Great Lakes Inter-Tribal Council, Inc.— Native American Health Research Project	OAC	S/E/R	-	299,701	299,701
Understanding and Overcoming the Barriers Hispanic/Latina Women face in Accessing Reproductive and Sexual Health Care Services	OAC	S/R	-	25,000	25,000
FIT-WIC-Wisconsin	OAC	S	-	25,000	25,000
Ho-Chunk Nation Culturally Trained Preventive and Supportive Care Project	OAC	S	-	25,000	25,000
Wisconsin Academy for Rural Medicine	OAC	S/E	-	25,000	25,000
Planning Grant to Reduce Health Disparities within LGBT Populations in Wisconsin	OAC	S	-	25,000	25,000
Influencing Wisconsin's Public Health System through Exploration of a Model that Addresses Hmong Mental Health Needs	OAC	S	-	25,000	25,000
Community Mental Health Training Institute	OAC	S/E	-	25,000	25,000
Community Wellness Initiative	OAC	S	-	25,000	25,000
Wisconsin Adolescent Sexually-Transmitted Infections Protection through Education Project	OAC	S	-	25,000	25,000

continued on next page

Project Title	Funding Source	Type	Expended As of 12/31/04	Grants Payable	Project Total
Northeastern Wisconsin Falls Prevention Coalition	OAC	S	$ -	$25,000	$25,000
Partners for a Clean and Sober Polk County	OAC	S	-	25,000	25,000
Health Care Interpreting Information and Resource Project	OAC	S/E	-	12,500	12,500
Health Watch Wisconsin	OAC	S	-	23,571	23,571
Reducing Household Asthma Triggers in Dane County African American Households	OAC	S/R	-	25,000	25,000
Northern Wisconsin Groundwater Consortium	OAC	S	-	25,000	25,000
Collaboration on Lead Education, Abatement and Reduction	OAC	S	-	25,000	25,000
Uniting Communities for Healthy Eating and Active Living	OAC	S	-	25,000	25,000
Strengthening Family Caregivers through Statewide Coalition	OAC	S	-	25,000	25,000
Fall No More	OAC	S/E	-	25,000	25,000
Enhancing Alcohol Screening, Intervention and Referral Services in Wisconsin	OAC	S	-	24,821	24,821
Beyond Lip Service: Integrating Oral Health into Public Health	OAC	S	-	450,000	450,000
First Breath: Enhancing Services to Health Care Providers and Clients	OAC	S/E	-	450,000	450,000
Fit Kids, Fit Families in Washington County	OAC	S	-	318,971	318,971
At-Risk Adolescent Health Outreach, Prevention and Services Collaborative Program	OAC	S	-	292,467	292,467
Milwaukee Birthing Project: Improving Birth Outcomes for Mothers and Children	OAC	S	-	414,475	414,475
Breaking the Barriers to Health Care and Preventing Domestic Violence for Latino/Hispanic Immigrants	OAC	S/E	-	450,000	450,000
Healthy and Active Lifestyles for Children and Youth with Disabilities: A Comprehensive Community-Based Partnership	OAC	S	-	440,490	440,490
Co-Op Care	OAC	S	-	450,000	450,000
Dane County Early Childhood Initiative	OAC	S	-	450,000	450,000
Peridata: A Rural/Urban Information Network	OAC	S	-	395,819	395,819
Safe Mom, Safe Baby: A Collaborative Model of Care for Pregnant Women Experiencing Intimate Partner Violence	OAC	S	-	448,529	448,529
Healthy Children, Strong Families	OAC	S/R	-	426,120	426,120
Milwaukee Homicide Review Commission	OAC	S/R	-	400,001	400,001
TOTAL-OAC FUNDING			**$27,140**	**$7,933,648**	**$7,960,788**

Project Title	Funding Source	Type	Expended As of 12/31/04	Grants Payable	Project Total
Master in Public Health (MPH)	MERC	E	$54,041	$ 1,881,079	$ 1,935,120
Innovations in Medical Education	MERC	E/S	-	3,225,000	3,225,000
Survey of the Health of Wisconsin (SHOW)	MERC	R/E/S	1,674	127,075	128,749
Wisconsin Clinical Trials Network (WiCTNet)	MERC	R/S	-	137,434	137,434
Human Proteomics Program	MERC	R	-	65,000	65,000
Making Wisconsin the Healthiest State	MERC	R/S	4,311	816,032	820,343
Wisconsin Alzheimer's Institute	MERC	R/E/S	-	375,000	375,000
Improving Cancer Care in Wisconsin	MERC	R/E	-	450,000	450,000
TOTAL-MERC FUNDING			**$60,026**	**$ 7,076,620**	**$ 7,136,646**
TOTAL-OAC & MERC FUNDING			**$87,166**	**$15,010,268**	**$15,097,434**

S=service (community-based); E=education; R=research

Administrative Expenditures

Administrative expenditures include costs for the two-year period of January 1, 2003, through December 31, 2004. All costs have been approved by both the OAC and the MERC. Allocation of costs in the Income Statement on page 38 is based on a 35 percent/65 percent split. Detail expenditures for the two-year period are as follows:

ADMINISTRATIVE EXPENDITURES
December 31, 2004

Total Salaries	$ 303,664
Total Fringe Benefits	103,519
Other Expenses	
Supplies	11,274
Travel	8,111
UW Foundation – legal	20,755
Reviewer Services	14,878
Outside Services	18,522
Other Expenses	32,315
TOTAL	**$ 513,038**
OAC (35%) Allocation	$ 179,563
MERC (65%) Allocation	$ 333,475

All documents referred to in the preceding pages of this report can be found on The Wisconsin Partnership Fund for a Healthy Future Web site: www.med.wisc.edu/BlueCross/.

University of Wisconsin
MEDICAL SCHOOL

The Wisconsin Partnership Fund for a
Healthy Future
750 Highland Avenue
Madison, WI 53705-2221
www.med.wisc.edu/bluecross/

The Wisconsin Partnership Fund for a Healthy Future

Attestation of Non-Supplanting
University of Wisconsin System and University of Wisconsin Madison

The UW Madison Vice Chancellor for Administration, Darrell Bazzell, hereby attests that the UW System and the UW Madison have complied with the supplanting prohibition in the Insurance Commissioner's Order of March 28, 2000, as specified in the criteria set forth in the addendum of the 2003 to 2008 Five Year Plan, *The Wisconsin Partnership Fund for a Healthy Future*, and as approved by the Wisconsin United for Health Foundation, Inc. on March 15, 2004. The basis of this attestation is the on-going monitoring by the UW Madison Vice Chancellor for Administration of the University's budget allocation to the Medical School.

This attestation shall be filed with the 2004 Annual Report of *The Wisconsin Partnership Fund for a Healthy Future.*

By: Darrell Bazzell
Darrell Bazzell,
Vice Chancellor for Administration,
University of Wisconsin Madison
Date: 4/14/05

The Wisconsin Partnership Fund for a Healthy Future

Attestation of Non-Supplanting
The University of Wisconsin Medical School

The Dean of the UW Medical School, Philip M. Farrell, MD, PhD, hereby attests that:

The UW Medical School has complied with the supplanting prohibition in the Insurance Commissioner's Order of March 28, 2000, as specified in the criteria set forth in the addendum of the 2003 to 2008 Five Year Plan, *The Wisconsin Partnership Fund for a Healthy Future*, and as approved by the Wisconsin United for Health Foundation, Inc. on March 15, 2004. This attestation is based on the detailed review and determination of non-supplanting by the Assistant Dean for Fiscal Affairs, Kenneth J. Mount, for each of the following awards for community-academic partnerships, community-population health initiatives, community-based public health education and training initiatives, and medical education and research initiatives.

This attestation shall be filed with the 2004 Annual Report of *The Wisconsin Partnership Fund for a Healthy Future*.

Community-Academic Partnership Initiatives - Project Title

At Risk Adolescent Health Outreach, Prevention and Services Collaborative Program
Beyond Lip Service: Integrating Oral Health into Public Health
Breaking the Barriers to Health Care & Domestic Violence Prevention for Latino/Hispanic Immigrants
Co-op Care
Dane County Early Childhood Initiative
First Breath: Enhancing Services to Health Care Providers and Clients
Fit Kids, Fit Families in Washington County
Healthy and Active Lifestyles for Children and Youth with Disabilities: A Comprehensive Community-Based Partnership
Healthy Children, Strong Families
The Milwaukee Birthing Project: Improving Birth Outcomes for Mothers and Children
Milwaukee Homicide Review Commission
Peridata: A Rural/Urban Information Network
Safe Mom, Safe Baby: A Collaborative Model of Care for Pregnant Women Experiencing Intimate Partner Violence
Collaboration on Lead Education, Abatement and Reduction
Community Mental Health Training Institute
Community Wellness Initiative
Enhancing Alcohol Screening, Intervention, and Referral Services in Wisconsin
Fall No More
FIT-WIC Wisconsin
Health Care Interpreting Information and Resource Project
Health Watch Wisconsin
Ho-Chunk Nation Culturally Trained Preventive and Supportive Care Project
Influencing Wisconsin's Public Health System through Exploration of a Model that Addresses Hmong Mental Health Needs
Northeastern Wisconsin Falls Prevention Coalition

The Wisconsin Partnership Fund for a Healthy Future

Attestation of Non-Supplanting (cont'd)

Community-Academic Partnership Initiatives - Project Title (cont'd)
Northern Wisconsin Groundwater Consortium
Partners for a Clean and Sober Polk County
Planning Grant to Reduce Health Disparities within LGBT Populations in Wisconsin
Reducing Household Asthma Triggers in Dane County African American Households
Strengthening Family Caregivers through Statewide Coalition
Understanding and Overcoming the Barriers Hispanic/Latina Women face in Accessing Reproductive and Sexual Health Care Services
Uniting Communities for Healthy Eating and Active Living
Wisconsin Academy for Rural Medicine
Wisconsin Adolescent Sexually Transmitted Infections Protection through Education Project

Community-Population Health Initiatives – Project Title
Center for Urban Population Health, Multi-level Information Systems and Health Promotion Interventions for Milwaukee's School Children
Great Lakes Intertribal Council, Native American Health Research Project

Community-Based Public Health Education and Training – Project Title
Community-Based Population Health Practice Fellowship
Wisconsin Public Health Leadership Institute

Medical Education and Research Initiatives - Project Title
Master in Public Health (MPH)
Innovations in Medical Education
Survey of the Health of Wisconsin (SHOW)
Wisconsin Clinical Trials Network (WiCTNet)
Human Proteomics Program
Making Wisconsin the Healthiest State
Wisconsin Alzheimer's Institute
Improving Cancer Care in Wisconsin

By: Philip M. Farrell
Philip M. Farrell, MD, PhD
Dean, UW Medical School;
Chair, Oversight and Advisory Committee
Date: 4/5/05

By: Kenneth J. Mount
Kenneth J. Mount,
Assistant Dean for Fiscal Affairs,
UW Medical School
Date: 4/5/05

The Wisconsin Partnership Fund for a Healthy Future

Determination of Non-Supplanting
For
Community-Academic Partnership Initiatives;
Community-Population Health Initiatives, and
Community-Based Public Health Education and Training Initiatives
Recommended for Approval by the
Oversight and Advisory Committee

The Assistant Dean for Fiscal Affairs of the University of Wisconsin Medical School hereby attests to the Oversight and Advisory Committee that:

The following list of community-academic partnerships; community-population health initiatives, and community-based public health education and training initiatives has been reviewed in detail to determine whether use of the Wisconsin Partnership funds for the following projects has complied with the supplanting prohibition in the Insurance Commissioner's Order, as specified in the criteria set forth in the addendum of the 2003 to 2008 Five Year Plan, and as approved by the Wisconsin United for Health Foundation, Inc.

The Assistant Dean for Fiscal Affairs has determined that financial support by the Wisconsin Partnership Fund of these projects does not result in supplanting.

This determination shall be filed with the Oversight and Advisory Committee this 18th day of March, 2005.

Community-Academic Partnership Initiatives - Project Title

At Risk Adolescent Health Outreach, Prevention and Services Collaborative Program
Beyond Lip Service: Integrating Oral Health into Public Health
Breaking the Barriers to Health Care & Domestic Violence Prevention for Latino/Hispanic Immigrants
Co-op Care
Dane County Early Childhood Initiative
First Breath: Enhancing Services to Health Care Providers and Clients
Fit Kids, Fit Families in Washington County
Healthy and Active Lifestyles for Children and Youth with Disabilities: A Comprehensive Community-Based Partnership
Healthy Children, Strong Families
The Milwaukee Birthing Project: Improving Birth Outcomes for Mothers and Children
Milwaukee Homicide Review Commission
Peridata: A Rural/Urban Information Network
Safe Mom, Safe Baby: A Collaborative Model of Care for Pregnant Women Experiencing Intimate Partner Violence
Collaboration on Lead Education, Abatement and Reduction
Community Mental Health Training Institute
Community Wellness Initiative
Enhancing Alcohol Screening, Intervention, and Referral Services in Wisconsin
Fall No More
FIT-WIC Wisconsin
Health Care Interpreting Information and Resource Project

The Wisconsin Partnership Fund for a Healthy Future

Determination of Non-Supplanting (cont'd)

Community-Academic Partnership Initiatives - Project Title (cont'd)
Health Watch Wisconsin
Ho-Chunk Nation Culturally Trained Preventive and Supportive Care Project
Influencing Wisconsin's Public Health System through Exploration of a Model that Addresses Hmong Mental Health Needs
Northeastern Wisconsin Falls Prevention Coalition
Northern Wisconsin Groundwater Consortium
Partners for a Clean and Sober Polk County
Planning Grant to Reduce Health Disparities within LGBT Populations in Wisconsin
Reducing Household Asthma Triggers in Dane County African American Households
Strengthening Family Caregivers through Statewide Coalition
Understanding and Overcoming the Barriers Hispanic/Latina Women face in Accessing Reproductive and Sexual Health Care Services
Uniting Communities for Healthy Eating and Active Living
Wisconsin Academy for Rural Medicine
Wisconsin Adolescent Sexually Transmitted Infections Protection through Education Project

Community-Population Health Initiatives – Project Title
Center for Urban Population Health, Multi-level Information Systems and Health Promotion Interventions for Milwaukee's School Children
Great Lakes Intertribal Council, Native American Health Research Project

Community-Based Public Health Education and Training – Project Title
Community-Based Population Health Practice Fellowship
Wisconsin Public Health Leadership Institute

By: _____
Kenneth J. Mount
Assistant Dean for Fiscal Affairs,
UW Medical School
Date: 3/18/05

As approved by the Oversight and Advisory Committee on March 18, 2005.
Date: _____

The Wisconsin Partnership Fund for a Healthy Future

Determination of Non-Supplanting
For
Medical Education and Research Initiatives
Recommended for Approval by the
Medical Education and Research Committee

The Assistant Dean for Fiscal Affairs of the University of Wisconsin Medical School hereby attests to the Medical Education and Research Committee that:

The following list of medical education and research initiatives has been reviewed in detail to determine whether use of the Wisconsin Partnership funds for the following projects has complied with the supplanting prohibition in the Insurance Commissioner's Order, as specified in the criteria set forth in the addendum of the 2003 to 2008 Five Year Plan, and as approved by the Wisconsin United for Health Foundation, Inc.

The Assistant Dean for Fiscal Affairs has determined that financial support by the Wisconsin Partnership Fund of these projects does not result in supplanting.

This determination shall be filed with the Medical Education and Research Committee this 16th day of March, 2005.

Medical Education and Research Initiatives - Project Title

Master in Public Health (MPH)
Innovations in Medical Education
Survey of the Health of Wisconsin (SHOW)
Wisconsin Clinical Trials Network (WiCTNet)
Human Proteomics Program
Making Wisconsin the Healthiest State
Wisconsin Alzheimer's Institute
Improving Cancer Care in Wisconsin

By: _____
Kenneth J. Mount
Assistant Dean for Fiscal Affairs,
UW Medical School
Date: 3/16/05

As approved by the Medical Education and Research Committee on March 16, 2005.
Date: _____

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
INVESTMENT STRATEGIES REPORT:
GLOBAL TACTICAL ASSET ALLOCATION

EXECUTIVE SUMMARY

BACKGROUND

As another prelude to an upcoming review of the policy or strategic asset allocation and spending plan for the UW Trust Funds' Long Term Fund, the investment strategy of "tactical asset allocation" should be considered. Tactical asset allocation, using a global array of asset classes, involves the shorter-term tactical over- and under-weighting of entire asset classes (or "markets") away from the longer-term policy or strategic weights, based upon their perceived relative under- and over-valuations and expected future return prospects.

REQUESTED ACTION

None. This item is informational only.

DISCUSSION

The full report attached discusses the strategy referred to as *global tactical asset allocation* in more depth. Among other points made, the report suggests that mispricings, or over/under-valuations, of entire asset classes may be more prevalent, more significant, and more easily exploitable than pricing inefficiencies within asset classes or markets. In a low absolute return environment, which many practitioners and market observers believe to be confronting investors today, additional sources of potential excess risk-adjusted return (or "alpha") become more attractive. The huge growth of the hedge fund industry has been an obvious outcome of this. Hedge fund strategies unshackle many of the typical constraints placed upon investment managers to, in theory, provide more opportunity to add alpha, often resulting in return streams that have low exposure to and correlation with overall market returns. A *global tactical asset allocation* strategy, removes one typical constraint, but a very significant one: the constraint to hold asset class weightings constant over time. Both strategies harken back to the earlier days of money management, before managers evolved into "silos" of particular asset-class or investment-style specializations (e.g., large-cap value manager, small-cap growth, etc.). The report concludes that *global tactical asset allocation* should be strongly considered for incorporation into the Long Term Fund. Various alternatives to accomplish this are discussed.

RELATED REGENT POLICIES

None.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Investment Strategies Report: Global Tactical Asset Allocation

Introduction

As will become more evident in the upcoming reviews of the Long Term Fund's strategic asset allocation and spending plan, absolute return expectations for virtually all asset classes are lower than historical averages and certainly considerably lower than the extended bull-market-period returns many investors came to expect as "normal." Achieving a portfolio return sufficient to meet expenses, cover inflation, and provide the "typical" 5 percent payout stream is becoming more and more challenging for foundations and endowments.

Traditionally, in attempting to meet their return requirements, most institutional investors have implemented this type of structure: determination of an appropriate long-term, static asset allocation; hiring investment managers to implement (usually "specialist" managers by asset class); and rebalancing to the strategic target regularly. In this traditional setting, the only potential source of excess risk-adjusted returns (or "alpha"), over and above what the markets are providing as compensation for their systematic risks (or their "beta"-related returns), comes from the active management efforts of the essentially long-only managers within their particular asset classes. Therefore, to achieve excess risk-adjusted returns of any significance here, the investor must believe that there is significant inefficiency in the pricing of individual securities (or sectors, etc.) within a particular asset class and that they can select managers with the capabilities to consistently capitalize on this. Certainly there continues to be debate about the level of efficiency within asset classes, but it seems clear that some are more efficient than others; for instance, U.S. large-cap stocks and bonds, particularly Treasurys, seem to be more efficiently priced; small-cap and emerging market stocks, less so. What then can and should be expected from active management at the asset class level: plus 1 percent on equities overall, plus 0.25 percent on bonds overall? Again, in a low return environment, the level and reliability of these alpha sources may be less than desirable.

In such a lower-return environment, using active management in potentially new, or "non-traditional", ways to achieve alpha becomes increasingly attractive. This search for new, and potentially more dependable sources of alpha, has helped to generate the huge institutional interest in and capital flows to so-called "hedge funds." Hedge funds are not really a new or distinct asset class; rather, they are simply private, unregulated investment vehicles or funds with the ability to employ unfettered active management tools (e.g., going short, leveraging, using convertible- or merger-arbitrage techniques, dipping into unusual or non-traditional asset types, concentrating assets more, etc.). In fact, in it purest form (or at least truest to the "hedge fund" moniker), most or all of such a fund's market (or beta) exposure can be eliminated (e.g., a market-neutral, long/short strategy), resulting in a return, if any, that is pure alpha; that is, it is return deriving solely from the manager's skill in identifying and capitalizing on market inefficiencies. Part of the difficulty with hedge funds (market-neutral or non-directional ones in particular), is determining how to model them into an asset allocation framework and/or how to appropriately incorporate them into a diversified, multi-asset portfolio. (Perhaps the best approach would be to use them in an "alpha transport" strategy, where the alpha is ported onto a long-only, beta-only portion of the portfolio. This is a topic for another day.)

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Investment Strategies Report: Global Tactical Asset Allocation

Another potential source of active-management alpha is to look for valuation inefficiencies or relative mispricings not just within a particular asset class or market but between entire asset classes or markets. For example, by historical standards, U.S. large-cap stocks overall may look richly or over-valued, while high yield bonds look cheap or under-valued. Obviously, acting upon such perceived opportunities would be a departure from the traditional static asset allocation approach, which inherently implies a belief that either such opportunities do not exist, or if they do, they cannot, on average, be profitably capitalized on. But it should be noted too, that allowing for such shorter-term tactical departures away from a longer-term asset allocation, is just another method of unfettering the typical constraints on active management that, like hedge funds, actually harkens back to the earlier days of investment management. The evolution of the institutional investment management business into increasingly-refined "specialties" or "silos" by asset class, investment style, etc. is not fully understood, but the influence of consultants was likely a major contributor (e.g., consultants have a vested interest in helping clients hire and fire managers, and promoting specialist managers makes not only for more manager searches but allows for greater ease in the understanding and evaluation, particularly the benchmarking, of managers).

This report looks more closely at the investment strategy of actively over- and under-weighting entire asset classes as a potentially viable means to add alpha, or excess risk-adjusted returns, to the Long Term Fund's portfolio. This strategy will be referred to as *global tactical asset allocation.*

Overview of Global Tactical Asset Allocation

The name, and strategy, "tactical asset allocation" (or TAA) has been around for a long time and has had periods of both considerable and little interest and popularity. In the early 1980s, for instance, prior to the great bull market that ensued over the next two decades and following the dismal returns of both stocks and bonds for most of the 1970s, TAA was at least talked about by many large institutional investors. In the bull market of the 1990s, stocks looked to be the only place to be and interest in TAA once again waned. In its early incarnations and before the greater globalization of institutional investments, TAA was generally implemented with only domestic asset classes. Today, it is more common and makes more sense to consider both domestic and foreign markets; hence, the term used here will be *global tactical asset allocation.*

As described earlier, the crux of the strategy involves the following: some form of current valuation of asset classes or markets as a whole, determination of the "proper" risk-adjusted valuation (whether an "equilibrium" or average historical value, etc.), determination of the current level of over- or under-valuation and what this implies for expected returns going forward. Based upon relative levels of over-/under-valuation and expected future returns (for some period) among the asset classes/markets available, under- and over-weightings versus some strategic norm or benchmark are implemented (on some kind of continuous, or frequently re-evaluated, basis presumably). This is no different than what an active long-only stock picker does, but he does it at the individual security level; the asset allocator does it at the asset class level.

Critics of tactical asset allocation, at least in the past, argued that TAA boils down to "market timing"; that is, deciding when to be in and out of a market, making the tough critical decisions of when to enter, when to exit, when to re-enter, over and over again. Furthermore, such critics would remind investors of the oft-quoted dictum "Don't try to time the market!" as so many studies have shown how difficult, if not impossible, it is to do successfully.

But global tactical asset allocation, as being considered here, should be differentiated from this simplistic "market timing" concept. First, many more asset classes are involved; that is, the choices are not just U.S. stocks or cash, so the overall risk/return profile of the portfolio will not normally change so drastically as it could in this simple model. Second, it is more typical to over- or under-weight asset classes within an acceptable range relative to some benchmark or normal position, and such ranges would typically not be 0 to 100 percent.

In considering the attempt to achieve excess risk-adjusted returns by over- and under-weighting entire asset classes, in addition to over- and under-weighting securities, sectors, etc., it seems reasonable to ponder whether there are reasons that asset class mispricings may actually be more prevalent and of much greater magnitude than lower level mispricings. Some reasons would seem to make sense, such as the following: 1) although globalization has increased the mobility of capital worldwide, capital still seems to flow much more freely within markets than it does between different markets; 2) because of the specialization and silo nature of most professional money management offerings, managers are fixated on relative valuations within an asset class rather than among asset classes; that is, not many money managers play the global asset allocation game and there is therefore less pressure to correct mispricings at the asset class level; and 3) individual, non-professional investors are even more prone to follow the herd than institutional investors, and they are more likely to act out their impulses at the asset class level, by trading mutual funds. In any event, if anyone was unconvinced that entire asset classes or markets could become wildly over- or under-priced, they were undoubtedly convinced by the great stock market boom and bust of the 1990s.

Implementation Alternatives

If an investor decides that global tactical asset allocation makes sense and can add alpha, how can it be implemented in a portfolio? While probably not exhaustive, the following alternatives come most quickly to mind:

1. Hire an investment manager or managers that do this and allocate a portion (or all) of the portfolio's assets to them.
2. Do it internally by potentially setting acceptably wide ranges for asset class allocations, allowing for allocation drift or more active movements when deemed desirable.
3. Dedicate a constant portion of the portfolio as an "opportunistic allocation" that could be quickly and cheaply redeployed to adjust overall asset allocations in the portfolio. (For example, 20 percent might normally be invested in futures or "exchange-traded funds", or ETFs, to mirror the strategic allocations; given significant signals as to

over/under- valuations, these assets could be quickly redeployed, again using futures or other derivatives.)

4. Hire an "overlay" manager to adjust the portfolio's asset allocation without being given any underlying assets. (Here, the overlay manager would go short and long various markets via futures or other derivatives to adjust the portfolio's effective asset allocation.)

While not going into great detail in discussing the pros and cons of each of these alternatives, a few quick comments can be made. The first alternative is certainly the easiest to do, and would require no additional internal resources or effort, but the difficult decision is determining how much of the portfolio's assets should be allocated to such managers. The second and third alternatives would likely require significant external input (e.g., valuation inputs from our "strategic partners") and/or more internal resources, effort and expertise. The fourth alternative is perhaps conceptually the most elegant; it would not raise the question of how much of the portfolio to dedicate to the strategy and would not require additional internal resources and expertise. Also, an overlay strategy would theoretically provide a better "fit" to the investor's benchmark, strategic asset allocation, as it would be "imposed" on top of it; if a commingled asset allocation fund was used, the fund's benchmark or normal position might differ significantly from the investor's. Finally, while an overlay approach might also be quite cost-effective, there may be limitations as to the variety and appropriateness of the derivatives available to achieve the desired results. (Incidentally, the State of Wisconsin Investment Board chose an alternative one by hiring an asset allocation manager, UBS.)

Sources and Levels of Expected Returns and Risk

What level of excess returns might be reasonably expected from successful active or tactical asset allocation? Assuming that targeted "tracking error" (standard deviation of returns over/under that of the benchmark's) is not excessive, a conservative expectation might be one percent. Assuming that active management within the underlying asset classes could also produce one percent alpha on average, that portion of the portfolio dedicated to this strategy might be expected to generate two percent alpha. In a low return environment, this would be an extremely desirable outcome.

Since this potential return is pure alpha, it is difficult to discuss the risk/return profile of an active strategy in the same way the risk/return profile of an asset class or individual asset can be discussed, where some form of "beta" is the dominant indicator of risk and driver of returns. Suffice it to say here that unless reasonable ranges of asset class over/under-weights are employed, or tracking error can be otherwise meaningfully and reasonably controlled, the potentially huge excess return from unlimited asset allocation shifting would be matched by potentially huge relative underperformance.

Finally, it should also be noted strongly that if an investor commits to an active asset allocation strategy and/or manager, they must expect and be fully prepared to accept occasional long periods of relative underperformance. Asset allocators undoubtedly lost many clients during the decade-long stock market boom of the 1990s, only to be vindicated over the longer term.

Investors must have the strongest of convictions that markets will eventually correct themselves to a level of "normality" or "equilibrium" that makes sense and is historically tried-and-true. If one does not have such convictions, they should not entertain this strategy.

Potential Portfolio Contributions

How will a global asset allocation strategy impact the overall portfolio's risk/return profile? Particularly in the case where a portion of the portfolio is dedicated to an asset allocator, it seems some of the same problems arise as when trying to model the incorporation of hedge funds into an overall portfolio and broad asset allocation framework. Neither is a separate asset class; rather, they are different investment strategies using many of the same underlying asset classes found in the rest of the portfolio. Therefore, while estimating potential return contributions from a dedicated active asset allocation strategy is easy (being simply the strategy's return, weighted by its proportion in the portfolio), its contribution to portfolio risk (e.g., standard deviation of returns) is not so easily determined. It should be possible, however, to draw some broad, logical conclusions as to likely portfolio contributions after making a few reasonable assumptions.

Obviously, the level or extent to which the strategy is implemented will matter greatly. For example, will just a portion of the assets be dedicated to it, or will an overlay strategy for the entire portfolio be used? If just ten percent of the portfolio is given to a global asset allocator, the impact on return and risk will not be great. Also, the level of risk-control imposed (such as control of tracking error and overall standard deviation) will make a big difference. Assuming that tracking error is kept within a reasonable range and that absolute volatility is maintained at or below that of the benchmark, the strategy will probably not increase the overall portfolio's volatility and may even reduce it. The return contribution will simply depend on the portion of the portfolio dedicated to it and the ability of the manager to add alpha.

Investment Management Considerations

The first point to be made here, consistent with the earlier remarks about the evolution of the investment management business, is that there are relatively few providers of global tactical asset allocation products or capabilities today. Of course, sometimes limited choice is a blessing rather than a curse. And while there are few managers that provide asset allocation funds, there are fewer still that provide overlay-type strategies. Generally, either type of provider will tend to be a larger organization with global capabilities and expertise.

For providers of asset allocation funds, where the underlying funds are that firm's own products, it will be important to evaluate their ability to add value both within asset classes (i.e., within each of the underlying funds) as well as at the asset allocation level. It should also be apparent from earlier discussion points, that an asset allocator should be expected to have considerable and sophisticated risk-control capabilities.

Also, depending on their asset class capabilities, different providers may provide access to different asset classes within their asset allocation products. For instance, some may provide for allocations to hedge funds or other absolute return-type vehicles and others may not. In such

cases, appropriate benchmarks, expectations, and performance comparisons will need to take these differences into account.

It is important to note here that it is unlikely for asset allocation funds to provide for access to some alternative asset classes, particularly those that are illiquid and/or have unusual ownership structures, such as private equity, direct real estate, timber, etc. Therefore, if these asset classes are to be represented in the broad portfolio, they must be provided separately from an asset allocation fund. This poses another interesting wrinkle, however, in the context of the broad portfolio. If an asset allocation fund(s) is used for a significant portion of total portfolio assets but has no exposure to these desirable alternatives, how should the aggregate portfolio be "optimized"? For example, if the desired overall strategic portfolio allocation to private equity is determined to be ten percent, should this ten percent be applied to the aggregate portfolio? If so, the portion of the portfolio outside of the asset allocation fund may require a 12 percent position in private equity.

Fee structures for asset allocation fund providers may differ depending on the types of underlying funds involved (e.g., if hedge funds are included). Otherwise, fees would be expected to normally include the asset-based fees for the underlying funds and potentially some additional fee for the asset allocation effort. Overall, the inclusion of this strategy would likely not materially impact the portfolio's overall fee level. (Typical fees for an overlay strategy have not yet been determined; however, it seems likely that they could more materially add to portfolio fees.)

Current Market Conditions and Considerations

Are there current opportunities to add alpha from active asset allocation? Judging from two providers' current expectations, there are indeed. Given below are UBS's and GMO's "shorter-term" expectations for asset class returns. These relative expectations are used by the managers to help determine their over- and under-weight positions by asset class.

ASSET CLASS	UBS: 3-Year	GMO: 7-Year
Traditional Asset Classes		
U.S. Large Cap Equities	7.90%	1.10%
U.S. Mid Cap Equities	--	--
U.S. Small Cap Equities	--	1.00%
Non-U.S. Equities (Large Cap)	9.60%	4.70%
Emerging Market Equities	14.40%	7.40%
U.S. Aggregate Bonds	3.30%	--
U.S. Treasuries	3.10%	4.00%
TIPS	1.30%	3.60%
U.S. High Yield	2.70%	--
Non-U.S. Bonds (USD)	2.40%	4.20%
Emerging Market Debt	2.50%	5.40%
Cash	3.50%	--
Alternative Asset Classes		
Public Real Estate (REITS)	--	4.70%
Private Real Estate (Direct)	9.60%	--

Private Equity	11.90%	--
Managed Timber	--	8.50%

Although there are some wide discrepancies in UBS's and GMO's absolute return expectations for the same asset class in many cases and their time horizons differ, there is general agreement in terms of relative return expectations in some cases. For instance, both seem to agree that non-U.S. developed market and emerging market equities are relatively attractive.

Some Conclusions

Risk-controlled active asset allocation strategies should provide opportunities to add alpha over and above what a static, strategic asset allocation can be expected to provide. If such a strategy is to be adopted, it seems that a dedicated, external manager(s) would be most appropriate for UW Trust Funds, via either a commingled fund offering or an "overlay" technique. Desirable managers for an active asset allocation mandate should have all of the following characteristics: a strong, dedicated and utterly defensible conviction that it can be done successfully; a long and strong track record that supports this conviction; a sophisticated risk-control mentality; strong global presence and expertise; and very bright people and leadership that reflect a strong cultural continuity. If such managers can be found, an active asset allocation strategy should be strongly considered for incorporation into the Long Term Fund's portfolio, in some manner and at some level yet to be specifically recommended.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
STRATEGIC ASSET ALLOCATION AND SPENDING PLAN REVIEW

EXECUTIVE SUMMARY

BACKGROUND

The single most significant decision in the investment process is that of asset allocation; that is, deciding how assets are to be allocated among the major investment categories (or asset classes). Studies indicate that well over 90 percent of a portfolio's return can be explained simply by its asset allocation. The *strategic (policy) asset allocation* for UW System Trust Funds' Long Term Fund should be viewed as the long-term, "equilibrium" asset class positions for the portfolio, positions that under normal conditions should best meet the Fund's liabilities (i.e., a reasonable spending rate, plus inflation and expenses). Decisions regarding the *spending rate* (i.e., the percentage of assets to be distributed for spending purposes each year), in conjunction with reasonable return expectations, also impact the sustainability of an endowment. Both the strategic asset allocation and spending plan are critical policies that the Committee has ultimate responsibility for. As such, both elements are to be periodically reviewed.

REQUESTED ACTION

None. This item is informational only.

DISCUSSION

This attached report is a preliminary review of the strategic, or policy, asset allocation and spending plan for the UW System Trust Funds' Long Term Fund. Results of various analyses are presented and some initial conclusions are drawn, but no specific recommendations are offered in this report. Initial conclusions include the following: 1) relative to the current allocation, expected returns can be improved, risk can be lowered, or the ideal, both at the same time, with the introduction of additional asset classes (e.g., timber, TIPS, commodity futures, commercial real estate); 2) the asset allocation analyses indicate that a reasonable annual target rate of return for the Fund, using some additional asset classes, while keeping risk at or below current levels, would be 7.5 to 7.75 percent (excluding consideration of any additional return from active management); and 3) this base rate of return less inflation (HEPI) and expenses suggests a 3.5 percent spending rate; the current spending rate is 4.5 percent.

The specific recommendations and requests to be provided in the final asset allocation/spending plan report in June will likely include some or all of the following: 1) approval of new asset classes; 2) a revised strategic (policy) asset allocation; 3) approval of new investment strategies (e.g., *global tactical asset allocation*) and their method of implementation; and 3) a revised spending rate. Once these recommendations have been approved, the search for various investment managers, for existing and new asset classes and mandates, can move forward towards completion.

RELATED REGENT POLICIES

Regent Policy 90-4 (and modifying resolutions): Small Fraction Spending Plan.
Regent Policy 91-11 (and modifying resolutions): Investment Objectives and Guidelines.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Strategic Asset Allocation and Spending Plan Review

Introduction

This report is a preliminary review of the *strategic*, or *policy*, *asset allocation* and *spending plan* for the UW System Trust Funds' Long Term Fund. Results of various analyses are presented and some initial conclusions are drawn, but no specific recommendations are offered in this report. The objective will then be to offer final recommendations to the Committee at the June 9, 2005 meeting.

The *strategic, policy asset allocation* should be viewed as the long-term, "equilibrium" or "normal" asset class positions for the portfolio, positions that under normal conditions should best meet the Fund's liabilities (i.e., a reasonable spending rate, plus inflation and expenses). However, as discussed in the preceding report and presentation by Grantham, Mayo, Van Otterloo & Co. LLC, departing from these normal allocation levels, within limits, to capitalize on perceived mispricings of entire asset classes may also have merit in the search for "alpha" or excess risk-adjusted returns. This strategy has been referred to as *global tactical asset allocation*.

Should it be recommended and approved that a *global tactical asset allocation* strategy be implemented, it would likely be implemented as an "overlay" to the strategic asset allocation portfolio or as an essentially adjunct portfolio (e.g., a portion of the Fund's actual assets would be directed to an asset allocation manager). In the latter case, the *strategic asset allocation* being contemplated here would essentially apply to that portion of Fund assets not directed to the asset allocation manager(s)/product(s). Also, under this implementation alternative, the success (or failure) of the tactical asset allocation efforts would have more limited impact on the portfolio as a whole. An "overlay" strategy, assuming similar limitations/constraints, would have much greater impact. (Perhaps another consideration would be giving a portion of Fund assets to an asset allocation manager with much broader or non-existent constraints.)

Overview of the Strategic Asset Allocation Process

The single most significant decision in the investment process is that of asset allocation; that is, deciding how assets are to be allocated among the major investment categories (or asset classes). Studies indicate that well over 90 percent of a portfolio’s return can be explained simply by its asset allocation.

By making forward-looking capital market assumptions, based strongly on historical observations and mindful of the importance of "reversion to the mean,” and inputting these into a "mean-variance optimizer" program, various "optimal portfolios" can be generated. Optimal portfolios are those that will theoretically produce the highest return for any given level of risk, or the lowest risk for any given return. This allows one to determine what target rates of return should be achievable at various levels of acceptable risk.

Asset allocation is typically and most appropriately done by taking a long-term, strategic view. Resulting target asset allocations are therefore intended to be long-term, fairly static, and not subject to significant shifts unless there have been fundamental changes to long-term equilibrium assumptions or investment objectives. Tactical shifts away from this strategic allocation, based on views that certain asset classes represent unusual, disequilibrium return potential in the shorter term, can be accomplished either by setting acceptable allocation ranges for asset classes or by opportunistically shifting away from the static target allocation within limits.

Based upon what kind of long-term returns can be achieved at acceptable levels of risk, and what inflation and expenses will likely be experienced, one is then prepared to review the viability and

sustainability of different endowment spending rates. Ideally, spending rates will ensure the preservation not only of principal (the amount invested) but of the purchasing power of that principal into perpetuity, and provide for fairly predictable, inflation-adjusted levels of financial support to the beneficiaries. Even more ideally, the spending rate should allow for some incremental investment return to be effectively "added to principal" to provide for some expansion of financial support and to act as a cushion against the possibility that actual inflation and investment experiences may, at least temporarily, fall short of expectations.

Capital Market Assumptions

Forward-looking capital market assumptions are essential in determining which portfolios will exhibit desirable risk/return profiles. These same assumptions are also the key inputs to "mean-variance optimization." They are: 1) expected returns, 2) standard deviations, and 3) correlations.

Expected return is the expected annual arithmetic mean return; that is, it is the expected average or mean of the presumably normal distribution of observed annual returns. Standard deviation is a statistical measure of the dispersion of returns around the expected value (for instance, assuming a normal distribution, there is a roughly 67 percent probability that the observed return will fall within the range of the expected or mean return, plus or minus one standard deviation). All other things being equal, the greater the standard deviation, the more widely the experienced returns may differ from the expected and, therefore, the greater the risk. Correlation is a standardization of the statistical measure called covariance, which is a measure of the degree to which two variables move together over time. The standardization accomplished by the correlation calculation takes into account the variability (standard deviation) of the two individual return series. Correlation coefficients then range within the value -1 to +1. A value of +1 would indicate that the returns of the two assets should move together in a completely positive linear manner; a value of -1 would suggest that their returns move perfectly together, but in opposite directions. Other things being equal, a portfolio of two assets will have lower portfolio risk or variability of returns, with the same expected return, if the assets have a low or negative correlation rather than a high positive correlation. Combining assets with high expected returns but low correlations is therefore ideal.

The various capital market assumptions used for this asset allocation and spending rate review are given in Attachments 1, 2 and 3. As these attachments show, long-term historical data as well as forward-looking projections from various external sources have been used in arriving at the capital market assumptions. Also shown are the assumptions used in the 2001 and 2003 reviews for expected returns and standard deviations; note there have been significant, fundamental revisions to some assumptions.

Risk Profile for the Long Term Fund

It is relatively easy for an institutional investor to determine what its desired or achievable target rate of return is. Risk, especially of a portfolio as opposed to a single investment, is a much more amorphous concept and is far less concrete than return. For instance, is risk best conveyed by a measure of the variability of returns (like standard deviation), the probability of total loss (virtually zero in a diversified portfolio), the probability that the portfolio will fall by more than x percent in value over the next 12 months (the "value at risk" or VaR concept), etc.?

Modern portfolio theory demonstrates mathematically that a well-diversified portfolio reduces risk, however measured. In the context of only one asset class and market, such as stocks, diversification can virtually eliminate company-specific risk (as measured by standard deviation) to the point where the only risk remaining is that of the stock market as a whole (so-called "systematic risk") while not

reducing expected return. In a multi-asset class context, risk can be further reduced by combining asset classes whose returns move at least somewhat in opposite directions. For instance, bonds have historically performed well when stocks performed poorly. The resulting portfolio return will always equal the weighted average of the individual asset class returns. So, to the extent that an asset class with a lower expected return and low correlation is combined with one with a higher expected return, risk will be reduced but so too will expected portfolio return. The portfolio will, however, exhibit less risk per unit of return (it will be a more "efficient" portfolio). But, surprisingly, to the extent that an asset with an even higher expected return and risk but low correlation is combined with that same high expected return asset, portfolio risk may actually decline while expected return rises.

The foregoing discussion is intended to help in understanding and interpreting the results of the asset allocation analysis presented in this review. For the time being, and certainly for the purposes of the mean-variance optimization analyses, the focus will continue to be on standard deviation of expected returns as a meaningful measure of portfolio risk. (In the future, estimates of "value at risk" and other probability or simulation-based measures in addition to standard deviation will hopefully be considered.)

In addition to looking at purely quantitative or probabilistic measures of risk, more qualitative indicators of risk tolerance should also be looked at. For the Long Term Fund, the following indicators of risk appetite should be kept in mind when conducting an asset allocation study:

- Investment horizon - With over 95 percent of the accounts in the Fund classified as endowments or designated endowments, the appropriate investment horizon is extremely long term, essentially perpetual.

- Fund size - At roughly $275 million the Fund is large enough to participate in virtually all asset classes. However, small percentage allocations to certain asset classes (probably five percent or less) may necessitate the use of commingled vehicles rather than separate accounts. Commingled vehicles preclude the application of individualized investment guidelines. (Growing the Fund's assets, through investment returns and/or consolidation with other similarly investable UW assets, will not only help to mitigate this situation, but should also lower fees as a percent of assets.)

- Dependence on distributions - With disbursements totaling almost $22 million for the fiscal year ended June 30, 2004, Trust Funds income does not represent a significant portion of total campus budgets. However, specific campus departments and programs do rely on Trust Fund resources. Long-term principal preservation, and, if not mutually exclusive, even additional real growth, are therefore still definite objectives.

- Exposure to variability – A predetermined annual spending rate of 4.5 percent of the Fund's value (using a 3-year moving average) is currently employed. By using a constant percentage and limiting the impact of shorter-term fluctuations in market value, planning for expenditures is facilitated. At the same time, this distribution smoothing technique allows for investment in portfolios with considerable variability of returns.

Asset Allocation Analyses

Employing the capital market assumptions given in Attachments 1-3, and mindful of the risk tolerance of the Fund from quantitative and qualitative perspectives, various asset allocation scenarios were generated by using a mean-variance optimizing program. As noted earlier, there have been significant

revisions to some capital market assumptions. Most importantly, and consistent with all external projections presented, return assumptions have been lowered for virtually all asset classes, particularly equities. Although market volatility and return variability have seemingly intensified over the past year, standard deviation estimates have actually been lowered somewhat, consistent with the lower return expectations. For each scenario, the following data is shown: expected risk (standard deviation of annual returns), expected annual return, and residual real return net of the current spending rate, expenses and inflation. This data is presented in Attachment 4.

Although there are very significant limitations to mean-variance optimization (e.g., there is uncertainty associated with the assumptions, and sensitivity to slight changes in assumptions; covariances change over time and under more extreme conditions; it assumes that the simple "point-estimates" of assumptions are known with certainty and that the outcome is therefore known with certainty, i.e., outcomes do not reflect the probabilities that significantly different outcomes may occur, etc.), the analysis is at least a useful and informative exercise. For instance, it prompts an investor to carefully review expected returns and volatilities of various asset classes, their implied risk premia, their relationship to each other and whether this makes intuitive sense for capital markets, to "stretch" in terms of giving consideration to new or more non-traditional asset classes, etc. Also, importantly, mean-variance optimization can lend some quantitative support to what intuitively seems to make good sense and suggest whether one is at least "heading in the right direction."

Without drawing on specific numbers from Attachment 4, the following initial conclusion is implied by the data. Expected returns can be improved, risk can be lowered, or the ideal, both at the same time, with the introduction of additional asset classes. Most of these have been discussed in detail in reports and presentations given to the Committee over the past few months. These new asset classes, many of which have a "real return" or inflation-hedging bent to them, include: timber, TIPS, commodity futures, and commercial real estate.

Spending Plan Review and Target Rates of Return

The asset allocation analyses indicate that a reasonable target rate of return for the Fund, using some additional asset classes, while keeping risk at or below current levels, would be 7.5 to 7.75 percent. It should also be noted that no alpha or excess-return from any active management efforts are contemplated here; that is, the return projections are purely passive and "beta-derived" only, and are hopefully, therefore, more conservative. What plausible spending rates do these results suggest? The table below summarizes most of the findings given in Attachment 4.

Achievable Return	7.50 percent
Expected Inflation (HEPI)	(3.25) percent
Investment & Administrative Expenses	(0.75) percent
Implied Spending Rate	***(3.50) percent***

As mentioned, the spending rate is now at 4.5 percent. However, it should again be noted that the above illustration reflects no excess returns from active management and also uses the somewhat higher inflation index, HEPI, rather than the more commonly applied CPI figure.

Next Steps

The specific recommendations and requests to be provided in the final asset allocation/spending plan report in June, 2005 will likely include some or all of the following:

1. Approval of new asset classes.
2. A revised *strategic (policy) asset allocation*, with acceptable ranges (minimum to maximum percentages) as well as exact percentage targets by asset class. (The use of permissible ranges will allow for the "ramping up" of exposure to new asset classes over time where it may be desirable or necessary, the "ramping down" of existing asset classes where it may be desirable, the eventual inclusion of already-approved "asset classes" that must still be more fully explored before commitment (e.g., hedge funds), etc. It will also provide for some limited tactical flexibility to stray from normal, target percentages.)
3. Approval of new investment strategies (e.g., *global tactical asset allocation*) and their method of implementation.
4. A revised spending rate.

Once these recommendations have been approved, the search for various investment managers, for existing and new asset classes and mandates, can move forward towards completion.

Attachment 1

CAPITAL MARKETS ASSUMPTIONS: RETURNS [1]

ASSET CLASS	IBBOTSON[2]	JPM [3]	UBS [4]	UW 2001	UW 2002/03	UW 2005
Traditional Asset Classes						
U.S. Large Cap Equities	12.40%	8.32%	8.10%	10.40%	9.50%	7.25%
U.S. Mid Cap Equities	-	8.89%	8.20%	-	-	7.50%
U.S. Small Cap Equities	17.50%	9.53%	8.74%	11.60%	10.50%	7.75%
Non-U.S. Equities (Hedged)	13.30%	9.00%	8.10%	11.30%	9.50%	7.50%
Emerging Market Equities	-	10.90%	11.40%	-	12.00%	9.50%
U.S. Aggregate Bonds	6.20%	5.08%	5.70%	6.90%	5.75%	5.25%
U.S. Treasuries [5]	5.80%	4.36%	6.10%	-	4.25%	5.25%
TIPS [6]	-	4.13%	5.20%	-	-	4.50%
U.S. High Yield	-	7.53%	6.80%	-	7.25%	6.75%
Non-U.S. Bonds (Hedged)	-	3.80%	5.60%	8.00%	5.50%	5.25%
Emerging Market Debt	-	8.80%	7.20%	-	8.50%	7.50%
U.S. Cash	-	3.50%	4.70%	-	-	3.75%
Alternative Asset Classes						
Public Real Estate (REITS)	-	7.60%	-	-	8.00%	7.00%
Private Real Estate (Direct)	-	7.36%	6.70%	-	-	7.00%
Private Equity	-	13.00%	11.80%	15.00%	12.00%	10.75%
Hedge Funds (Non-Directional) [7]	-	5.34%	-	-	7.50%	5.25%
Managed Timber	-	-	8.10%	-	-	8.50%
Commodity Futures	-	-	5.50%	-	-	7.25%
Inflation						
Consumer Price Index	3.10%	2.25%	2.25%	3.10%	2.25%	2.25%
Higher Education Price Index [8]	-	-	-	-	3.25%	3.25%

[1] All returns relect expected annual returns, based on simple arithmetic averages of annual returns

[2] Source: Ibbotson's "Stocks, Bonds & Inflation 2005 Yearbook." U.S. data is historical for the period 1926-2004; international data is for the period 1970-2004.

[3] Source: J.P. Morgan's current 10-15 year equilibrium market assumptions, as of January 28, 2005.

[4] Source: UBS's long-term equilibrium market assumptions as of December 31, 2004.

[5] Based on Treasuries with 10-year maturities

[6] TIPS average maturity assumed to be between 5 and 7 years, or intermediate.

[7] Although Hedge Fund strategies vary widely, assumptions used here are for more "absolute return" strategies with low market correlations.

[8] The Higher Education Price Index (HEPI) is assumed to run 1% higher than the CPI.

Attachment 2

CAPITAL MARKETS ASSUMPTIONS: ANNUALIZED STANDARD DEVIATIONS

ASSET CLASS	IBBOTSON	JPM	UBS	UW 2001	UW 2002/2003	***UW 2005***
Traditional Asset Classes						
U.S. Large Cap Equities	20.3%	14.6%	15.0%	20.3%	17.0%	***15.0%***
U.S. Mid Cap Equities	-	16.7%	-	-	-	***17.0%***
U.S. Small Cap Equities	33.1%	18.9%	19.0%	27.0%	20.0%	***19.0%***
Non-U.S. Equities (Hedged)	22.4%	15.8%	13.9%	19.4%	18.0%	***15.0%***
Emerging Market Equities (Unhedged)	-	23.0%	21.9%	-	25.0%	***23.0%***
U.S. Aggregate Bonds	8.6%	3.9%	5.1%	8.7%	6.0%	***5.0%***
U.S. Treasuries	9.3%	4.6%	7.2%	-	-	***6.0%***
TIPS	-	5.0%	4.8%	-	-	***5.0%***
U.S. High Yield	-	12.5%	9.0%	-	8.0%	***10.0%***
Non-U.S. Bonds (Hedged)	3.9%	3.1%	4.8%	6.0%	6.0%	***5.0%***
Emerging Market Debt	-	16.1%	12.0%	-	16.5%	***15.0%***
U.S. Cash	-	0.5%	0.5%	-	-	***0.5%***
Alternative Asset Classes						
Public Real Estate (REITS)	-	13.1%	-	-	15.0%	***13.0%***
Private Real Estate (Direct)	-	8.5%	10.0%	-	-	***10.0%***
Private Equity	-	30.0%	25.6%	29.7%	30.0%	***30.0%***
Hedge Funds (Non-Directional)	-	4.3%	N/A	-	5.0%	***5.0%***
Managed Timber	-	-	13.7%	-	-	***12.5%***
Commodity Futures	-	-	18.5%	-	-	***15.0%***

Attachment 3

	EXPECTED ANNUAL RETURN	EXPECTED VOLATILITY	U.S. Large Cap Equities	U.S. Mid Cap Equities	U.S. Small Cap Equities	Non-U.S. Equities (Hedged)	Emerging Market Equities (Unhedged)	U.S. Aggregate Bonds	U.S. Treasuries	TIPS	U.S. High Yield	Non-U.S. Bonds (Hedged)	Emerging Market Debt	U.S. Cash	Public Real Estate (REITS)	Private Real Estate (Direct)	Private Equity	Hedge Funds (Non-Directional)	Managed Timber	Commodity Futures
U.S. Large Cap Equities	7.25%	15.0%	1.00																	
U.S. Mid Cap Equities	7.50%	17.0%	0.87	1.00																
U.S. Small Cap Equities	7.75%	19.0%	0.73	0.89	1.00															
Non-U.S. Equities (Hedged)	7.50%	15.0%	0.70	0.64	0.62	1.00														
Emerging Market Equities (Unhedged)	9.50%	23.0%	0.63	0.66	0.66	0.66	1.00													
U.S. Aggregate Bonds	5.25%	5.0%	0.16	0.11	0.03	-0.02	-0.05	1.00												
U.S. Treasuries	5.25%	6.0%	0.05	0.02	-0.07	-0.11	-0.14	0.97	1.00											
TIPS	4.50%	5.0%	-0.01	0.01	-0.02	0.04	0.03	0.65	0.68	1.00										
U.S. High Yield	6.75%	10.0%	0.49	0.49	0.55	0.44	0.50	0.26	0.14	0.14	1.00									
Non-U.S. Bonds (Hedged)	5.25%	5.0%	0.17	.11	0.07	0.14	0.03	0.66	0.66	0.42	0.19	1.00								
Emerging Market Debt	7.50%	15.0%	0.51	0.50	0.47	0.61	0.65	0.27	0.20	0.28	0.47	0.32	1.00							
U.S. Cash	3.75%	0.5%	0.04	.01	-0.06	-0.06	-0.14	0.13	0.12	-0.07	-0.06	0.16	-0.08	1.00						
Public Real Estate (REITS)	7.00%	13.0%	0.35	0.46	0.51	0.27	0.33	0.18	0.13	0.24	0.36	0.18	0.34	-0.12	1.00					
Private Real Estate (Direct)	7.00%	10.0%	0.25	0.26	0.24	0.14	0.14	0.28	0.25	0.19	0.2	0.23	0.2	0.15	0.4	1.00				
Private Equity	10.75%	30.0%	0.57	0.71	0.90	0.54	0.62	-0.01	-0.10	-0.01	0.55	0.01	0.43	-0.12	0.39	0.16	1.00			
Hedge Funds (Non-Directional)	5.25%	5.0%	0.36	0.42	0.49	0.37	0.41	0.12	0.05	0.17	0.53	0.16	0.44	0.16	0.32	0.19	0.52	1.00		
Managed Timber	8.50%	12.5%	0.35	0.35	0.35	0.29	0.28	0.22	0.22	0.20	0.21	0.05	0.28	0.00	0.19	0.17	0.33	0.25	1.00	
Commodity Futures	7.25%	15.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00

Attachment 4

Current Asset Classes	Current Portfolio	Policy Portfolio	Scenario 1	Scenario 2	Scenario 3	Scenario 4 [1]	Scenario 5 [2]	Scenario 6	Scenario 7 [3]	Scenario 8
U.S. Large Cap Equities	33.1%	25.0%	17.5%	15.0%	20.0%	-	-	-	-	-
U.S. Small Cap Equities	21.1%	20.0%	10.0%	10.0%	20.0%	-	-	15.0%	-	-
Non-U.S. Equities (Hedged)	12.1%	10.0%	12.5%	10.0%	10.0%	-	6.8%	20.6%	7.7%	29.7%
Emerging Market Equities (Unhedged)	12.1%	10.0%	10.0%	10.0%	10.0%	14.3%	14.6%	15.0%	10.0%	10.0%
U.S. Aggregate Bonds	19.2%	15.0%	10.0%	5.0%	10.0%	-	-	-	-	-
Private Equity	2.4%	10.0%	10.0%	10.0%	10.0%	18.7%	10.0%	10.0%	8.8%	10.0%
Potential Asset Classes										
U.S. Mid Cap Equities	-	-	-	-	-	-	-	-	-	-
Non-U.S. Bonds (Hedged)	-	-	-	-	-	-	-	-	-	-
U.S. High Yield	-	-	5.0%	5.0%	5.0%	-	10.0%	-	10.0%	0.3%
U.S. Treasuries	-	-	-	-	-	-	25.0%	-	19.6%	-
TIPS	-	-	5.0%	5.0%	-	-	-	-	-	-
Emerging Market Debt	-	-	5.0%	5.0%	5.0%	-	3.7%	10.0%	3.9%	10.0%
U.S. Cash	-	-	-	-	-	-	-	-	-	-
Hedge Funds (Non-Directional)	-	10.0%	-	10.0%	-	-	-	-	-	-
Public Real Estate (REITS)	-	-	-	-	-	-	-	-	10.0%	10.0%
Private Real Estate (Direct)	-	-	5.0%	5.0%		-	10.0%	9.4%	10.0%	10.0%
Managed Timber	-	-	5.0%	5.0%	5.0%	56.2%	10.0%	10.0%	10.0%	10.0%
Commodity Futures	-	-	5.0%	5.0%	5.0%	10.8%	10.0%	10.0%	10.0%	10.0%
Expected Return	**7.36%**	**7.45%**	**7.61%**	**7.50%**	**7.80%**	**8.94%**	**7.50%**	**8.19%**	**7.45%**	**8.00%**
Risk (annualized standard deviation)	**12.54%**	**12.75%**	**11.26%**	**10.89%**	**12.87%**	**12.55%**	**8.47%**	**12.55%**	**8.09%**	**10.94%**

[1] Scenario 4 constraints: No constraints, all asset classes 0-100% range

[2] Scenario 5 & 6 constraints: U.S. Large Cap Equities (0-60%), U.S. Small Cap Equities (0-25%), Non-U.S. Equities (0-30%), Emerging Market Equities (0-15%), U.S. Aggregate Bonds (0-100%), U.S. Treasury Bonds (0%), TIPS (0-100%), U.S. High Yield (0-10%), Emerging Market Debt (0-10%), Public Real Estate (0%), Hedge Funds (0-10%), Private Equity (0-10%), Managed Timber (0-10%), Commodity Futures (0-10%), Non-U.S. Bonds (0-50%),

Cash (0-100%), U.S. Mid Cap Equities (0-25%), Private Real Estate (0-10%).

[3] Scenario 7 & 8 constraints: U.S. Large Cap Equities (0-60%), U.S. Small Cap Equities (0-25%), Non-U.S. Equities (0-30%), Emerging Market Equities (0-10%), U.S. Aggregate Bonds (0-100%), U.S. Treasury Bonds (0%), TIPS (0-100%),

U.S. High Yield (0-10%), Emerging Market Debt (0-10%), Public Real Estate (0-10%), Hedge Funds (0-10%), Private Equity (0-10%), Managed Timber (0-10%), Commodity Futures (0-10%), Non-U.S. Bonds (0-50%),

Cash (0-100%), U.S. Mid Cap Equities (0-25%), Private Real Estate (0-10%).

REVIEW OF RECENT ANALYSIS OF TUITION OPTIONS

EXECUTIVE SUMMARY

BACKGROUND

The Board of Regents has undertaken two reviews of tuition pricing options in recent years. At its December 2001 meeting the Board reviewed a document entitled "Building Our Resource Base: Tuition Revenue Options." The Board also looked at tuition pricing while reviewing resource enhancement options as part of its 2004 strategic planning exercise "Charting a New Course." During both of these reviews a number of tuition pricing options were reviewed, including an examination of their strengths and weaknesses.

REQUESTED ACTION

For Informational Purposes only.

DISCUSSION

Attached is a brief summary of six tuition pricing options, including:

- Per Credit Tuition
- Cohort Tuition
- Progressive Tuition, Progressive Aid
- Self-Supporting Tuition for Professional Programs
- Tuition Based on Ability to Pay
- Single Tuition Rate (Resident and Nonresident Students)

The summary includes a brief description of the options, their pros and cons, and a comments section showing the states or institutions where the options are being considered or implemented. While it is unlikely that major changes in tuition pricing could be implemented for the 2005-06 academic year, they could be considered for 2006-07 and thereafter.

RELATED REGENT POLICY

Regent Policy #88-11: Academic Fee Structure

Regent Policy #92-8: Tuition Policy Principles (October 1992, revised May 1996 and May 2004)

Regents' *Study of UW System in the 21st Century*.

TUITION PRICING OPTIONS

Option	Description	Pros	Cons	Comments
Option One Per Credit Tuition	Students are charged for each credit taken. The tuition plateau (12-18 credits) would be eliminated. This approach could be implemented to keep total tuition revenues the same (revenue neutral) or to increase tuition revenues (revenue generating).	• Full-time and part-time students pay the same amount per credit. • A per credit rate is easier to administer.	• Eliminating the tuition plateau may reduce the number of credits students take each semester, thereby increasing time to degree. This may be particularly true for lower income students. • Per credit tuition increases costs for students taking more than 12 credits per semester.	• UW-Stout is currently piloting per credit tuition. The 2005-06 academic year will be the fourth year of the pilot.
Option Two Cohort Tuition	Tuition rates are set based on the year a student enrolled. The rates are typically higher for an entering cohort than for students who enrolled earlier. The rate could remain unchanged for 4-5 years, or could be increased annually by a set and known amount.	• Enables students and families to develop more accurate plans for financing an education. • This approach could provide an incentive to complete a degree faster, particularly if the rate is only set for 4-5 years. This could reduce state support per resident degree and increase institutional capacity.	• Predicting the amount of tuition that will be needed over a multi-year period is difficult. This is particularly true when state funding for higher education is fluctuating. • Charging different amounts to different student cohorts will increase administrative costs at a time that administrative positions are being reduced.	• Western Illinois University and the University of Illinois campuses at Chicago and Urbana-Champaign have implemented cohort tuition for new freshman, with the same rate maintained until graduation. • Purdue, Ohio State, Texas A&M and Penn State have implemented cohort tuition.

TUITION PRICING OPTIONS

Option	Description	Pros	Cons	Comments
Option Three Progressive Tuition, Progressive Aid	Increases tuition rates for all students, and provides increased financial aid to hold down the net cost for lower income students.	• Net costs would be increasingly based on ability to pay.	• The higher published tuition rate could result in "sticker shock" for lower income students who are not aware of financial aid options. • Tuition dollars would provide significant funding for financial aid. Would the state continue to provide GPR for financial aid, or would it increasingly look at tuition as the source of financial aid?	• Wisconsin law currently states that financial aid must be increased at the same percentage that tuition increases.
Option Four Self-Supporting Tuition for Professional Programs	Would require certain professional programs to cover all their direct and indirect costs from tuition revenues.	• Could free campus resources for other programs and services. • Could provide a funding mechanism for expanding professional programs targeted to adult and non-traditional students who could afford them.	• The increased tuition may be too expensive for many students who would otherwise enroll in these programs. The result could be professional programs that only serve the wealthiest students.	• The Board has approved differential tuition for four undergraduate programs at UW-Milwaukee on a pilot basis, and has established higher tuition rates for some graduate professional programs. These programs are not self-supporting.

TUITION PRICING OPTIONS

Option	Description	Pros	Cons	Comments
Option Five Tuition Based on Ability to Pay	Would assess higher tuition rates to students from families above a certain income level in order to reduce rates for low income students.	• Lower tuition rates would reduce "sticker shock" for lower income students, potentially increasing the number of these students entering and graduating from a UW System institution.	• Enrollments of middle and higher income students may be negatively impacted by increased tuition rates. This could reduce tuition revenues. • Charging different tuition rates by income level may increase administrative costs.	• The state of California and the University of North Carolina explored this option but rejected it. • The state of Washington is currently exploring this option.
Option Six Single Tuition Rate (Resident and Nonresident Students)	A single tuition rate is assessed for both resident and nonresident students. Scholarships are then usually offered for resident students.	• Simplifies tuition pricing for all students. • May increase the number of nonresident students enrolling in UW System institutions.	• May cost more to administer depending on how net tuition charges are determined. • Legislators may object to resident students at a state-supported institution being assessed the same gross tuition as nonresident students. • Could result in "sticker shock" for students who may not understand what the likely net charges would be.	• Miami University in Ohio began assessing a single tuition rate for resident and nonresident undergraduates last fall. All Ohio students receive a sizable Ohio Resident Scholarship, which will be the same amount for every student, and an Ohio Leader Scholarship, which varies according to financial need, extraordinary ability, or intent to major in subjects key to the state's economic development. • The University of Minnesota – Morris implemented a single tuition rate plan. Students in the top 20% of their high school class are automatically eligible for scholarships up to $2,000 per year. • The University of Minnesota – Crookston also implemented a one-rate tuition plan.

MIDWEST HIGHER EDUCATION COMPACT: MIDWEST STUDENT EXCHANGE PROGRAM

EXECUTIVE SUMMARY

BACKGROUND

The Midwest Student Exchange Program (MSEP) is an interstate initiative established by the Midwestern Higher Education Compact (MHEC). It was created to increase interstate educational opportunities for students in its member states. At present, this tuition discount program includes the six participating states of Kansas, Michigan, Minnesota, Missouri, Nebraska, and North Dakota. The MHEC member states that are not currently participating in the program include Illinois, Indiana, Ohio, and Wisconsin. The Midwest Student Exchange Program seeks to provide more affordable educational opportunities for students to attend out-of-state institutions. It also strives to facilitate enrollment efficiency in institutions that have excess capacity in existing programs.

There are more than 130 participating institutions, collectively enrolling more than 2,600 students through MSEP. These institutions have identified a limited number of programs in which students may enroll. Typically these are programs in which the institution has some excess capacity. Therefore, enrolling a small number of students through the MSEP does not displace resident undergraduate students, and the additional instructional costs of serving these students are minimal.

Students who are enrolled under the MSEP are charged 150 percent of the in-state resident tuition rate. A student's MSEP status is retained as long as he/she is enrolled in the program to which the student was originally admitted, and the student is making satisfactory progress towards a degree.

REQUESTED ACTION

For Informational Purposes only.

DISCUSSION

UW System institutions other than UW-Madison have seen a sharp decline in the number of nonresident students dating back to a legislative requirement that the Board of Regents institute a 5 percent tuition surcharge for nonresident students for each year of the 2001-03 biennium. Nonresident tuition rates rank among the highest among peer institutions, and the current rates are not competitive. The Board took one step toward increasing access for nonresident students by approving the "Return to Wisconsin" tuition pilot program, which discounts nonresident student tuition by 25 percent for students whose parents or grandparents graduated from a UW System institution. This pilot program was implemented in fall 2004. The MSEP would provide an opportunity for other nonresident students to attend UW System institutions at a reduced rate

on a space available basis. By attracting more nonresident students to UW System institutions, this program has the potential to generate a brain-gain for Wisconsin.

Several UW System institutions have expressed interest in participating in MSEP. In order for UW System institutions to participate, the Board of Regents must endorse the program by signing the participation agreement (attached) and appointing a representative to the MSEP Council. The UW System would be required to advertise the program to Wisconsin high school students, and to collect and share data on program participation with MHEC. The agreement would allow any UW System institution to voluntarily join MSEP.

Institutions participating in MSEP have the ability to tailor the program to their individual campus needs. For example, an institution may select only those degree programs in which it wishes to increase enrollment and limit the programs that are already popular among students. The admission requirements are set by each campus along with the available programs of study. The UW System may decide what level of student can participate in the exchange program. It could be available at the associate, baccalaureate, and/or graduate levels. Both students participating at a UW System institution and students enrolling in participating institutions in other states would be subject to these limits.

RELATED REGENT POLICIES

Regent Policy #88-11: Academic Fee Structure

Regent Policy #92-8: Tuition Policy Principles (October 1992, revised May 1996 and May 2004)

Regent Resolution #8768: Return to Wisconsin Tuition Pilot Program (November 2003)

The Midwest Student Exchange Program

State Participation Agreement

The Midwest Student Exchange Program (MSEP) is an arrangement among interested Midwestern Higher Education Compact (MHEC) member states through which states may list undergraduate and graduate programs (including professional programs) or institutions in which they are prepared to enroll students from other MHEC states, within specified numbers if desired, at a reduced proportion of the institution's regular tuition charge.

The program, involving reciprocal reduction of tuition by the participating states, expands educational opportunities for students and facilitates more efficient use of resources at the institution or the program level. At a time when conservation of resources and avoidance of needless duplication are of concern in all states, reciprocal arrangements provide a tool for use in both institutional and state-level academic planning.

For these reasons, the State of _____, acting through its _____, joins with other states through the Midwestern Higher Education Compact in creating the Midwest Student Exchange Program. This action attests to the State's interest in the creation of an agreement through which Midwestern states may maintain or expand the range of educational programs available to their residents and supplement enrollments in designated institutions or programs, as each state's needs, plans, and decisions indicate. This agreement does not commit the state to receive or to send students in the MSEP at any time; active exchange of students may occur when the state finds that to be advantageous. Bilateral agreements for exchange of students may exist.

The program will operate with reference to the following general conditions and responsibilities of the parties. It is to be expected that experience with the program will suggest modifications from time to time. Such modifications may become effective as agreed upon by the Council (see following section), except that the Council or MHEC staff will recommend to the Compact policies and procedures that in the judgment of either may have significant impact on the program. Notwithstanding any other review of MSEP that

may be undertaken, a thorough assessment of the program and its outcomes will be undertaken by MHEC and participating states each four years, with a report to the Compact.

General Conditions

1. MHEC will establish the Midwest Student Exchange Program Council, comprising one member designated by the appropriate postsecondary education authority in each state that elects to execute this Agreement, and four at-large members chosen by the Compact representing the doctoral research universities, regional universities and colleges, community and technical colleges, and the independent institutions. Each council member shall have one vote. The Council will be supported by a MHEC staff member designated by the President; this staff member will serve as Council chair. The Council will encourage and facilitate requests of participating states for the inclusion in MSEP of degree programs to which such states desire access for their students; prepare a listing of programs and institutions ready to receive MSEP students in the following year; assess the operation of the program; and recommend policies and procedures to support the administration of the agreements set forth herein.

2. Programs in public institutions designated by the participating states shall be open to MSEP students at 150 percent of the regular tuition* charged resident students in the same program/institutions. Independent institutions are encouraged to participate as well, and may do so my making programs available to MSEP students at a reduction from their regular tuition of at least 10 percent. In certain high cost professional fields, as approved by the Council, admission as an MSEP student may entail payment, by the student's home state or by the student, of an additional amount. These tuition policies for MSEP students may be changed by the Compact upon recommendation of the MSEP Council, for any academic year beginning at least one calendar year from the date of the Compact action.

3. MSEP tuition is to be available to admitted students while the student continues in the program in which admitted as a MSEP student. Change to another program (in the same or a different institution) may be made at the reduced tuition level only if the new program is also open to MSEP students and the change is approved by the institution.

4. MSEP programs in public institutions shall be available to students only at the degree level at which the student's home state agrees to receive MSEP students--i.e., a student may enroll in a public institution at the associate, baccalaureate, or graduate level only if his/her home state agrees to receive MSEP students from other participating states at the same level.

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* For purposes of this program, "tuition" is defined as the basic, comprehensive multipurpose educational charge all students are required to pay as a condition of enrollment. This charge may or may not be known as "tuition." Other designations may include educational fee, registration fee, incidental fee, or perhaps others. "Tuition" does not include special fee charges such as student activity and required insurance assessments.

5. Admission of students to designated programs is exclusively a decision of each participating institution. However, in determining eligibility for MSEP tuition, any differences of view that cannot be resolved between institution and student will be resolved at the state level under procedures established by the state (normally, by the state postsecondary education authority).

Responsibilities of States

1. In each state the appropriate postsecondary education agency will designate a single person as MSEP liaison and as a member of the MSEP Council. A state may identify additional persons to work with the designated liaison; it may send such persons to Council meetings as observer-participants, without vote. Council members will be expected to participate in meetings of the Council. Council members may, however, provide for an authorized representative, with vote, if unable to attend.

2. Through procedures established by each state, the liaison will identify institutions and/or programs that will admit MSEP students. While normally, institutions will admit MSEP students to the eligible programs on a "space available" basis, institutions/ states may provide for limitations of numbers at the program, institution, or statewide level. The state liaison will be prepared to submit information concerning institutions/programs that will receive MSEP students, and any limitations, annually as required in the operation of the program.

3. Each participating state is encouraged to identify fields, programs, and institutions in other participating states to which it would like to have access for its residents. The MSEP liaison person should be informed concerning such requests or inquiries; he/she in turn will so advise the MHEC program coordinator and liaison persons in the other affected states, at the earliest possible time. MHEC will take all steps appropriate to encourage inclusion of such requested programs in the Exchange.

4. Each participating state is responsible for publicizing throughout the state the opportunities available to its residents through MSEP. Among other means, the state will distribute widely to school counselors, parents and students an annual catalog describing MSEP and listing institutions and programs available to its residents, as well as instructions as to how interested students may apply (applicants simply indicate "MSEP Applicant" on their admissions applications). The annual listing of available institutions and programs will be compiled by MHEC.

5. The state will take steps to assure necessary institutional record-keeping and reporting to enable the appropriate state agency, through the MSEP liaison, to provide MHEC each fall a list and report of MSEP students by state of their residency, institution and program in which enrolled, and year of MSEP status (i.e. lst, 2nd, 3rd, 4th). Where state higher education structure makes different reporting arrangements appropriate, the MSEP liaison will negotiate arrangements with MHEC staff that are mutually acceptable.

6. The state agrees that the MSEP tuition status of any student will be continued during that student's satisfactory progress or approved leave status in the program in which admitted, without regard to termination of MSEP participation by either the sending or the receiving state.

Responsibilities of MHEC

1. MHEC will convene the MSEP Council annually or as MHEC or the Council deem necessary to review operations, policies, and procedures and to formulate recommendations for the Program. The MHEC staff coordinator will provide the Council information and support appropriate for its monitoring role and its role in advising the MHEC President and Compact of any problems, needed changes, etc.

2. MHEC will compile the annual listing of institutions/ programs and conditions applying thereto, and will make the relevant information available to each participating state either in print or in computer-usable form.

3. Annually, MHEC will survey liaisons (or other persons designated by the state, as agreed upon by MHEC) for all MSEP enrollment information to be summarized and reported to the MSEP Council and others for assistance in monitoring and evaluating the program.

This instrument shall be effective upon signature by the state and MHEC. Participating states may send and/or receive students in the Midwest Student Exchange Program at any time under the policies and procedures stated above.

Adopted by Midwest Student Exchange Program Council
January 19, 1993

For the Midwestern Higher

For the State of_____

Education Compact:

_____	_____
President	
	_____
Date:_____	Date:_____

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OFFICE OF OPERATIONS REVIEW AND AUDIT
QUARTERLY AUDIT UPDATE

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 update on Legislative Audit Bureau projects in the UW System; (3) a summary of two completed program review projects; and (4) updates on follow-up activities for two past program reviews.

REQUESTED ACTION

For information only.

MAJOR OFFICE OF OPERATIONS REVIEW AND AUDIT PROJECTS

(1) Safeguarding Student Social Security Numbers focuses on UW institutions' practices for collecting, using, and protecting student Social Security numbers. A report is being drafted.

(2) 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.

(3) 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.

(4) 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. A report is being drafted.

(5) Tuition Waivers will review policies and practices related to statutory and other tuition and fee remissions, waivers, and discounts. Fieldwork is beginning.

(6) Student Health Insurance is focused on insurance practices in the UW System and elsewhere, types and cost of student health insurance coverage, and advantages and disadvantages of mandatory health insurance coverage. Fieldwork is beginning.

(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.

LEGISLATIVE AUDIT BUREAU PROJECTS

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

(1) UW-specific project: A review of UW-Madison's Materials 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: The following statewide projects include the UW: (a) an evaluation of the state vehicle fleet, to be issued in early May 2005, focuses largely on the Department of Administration and covers vehicle acquisition, inventory, maintenance, sales, and use; (b) a review of the state's economic development programs, including programs in the UW System, is due to be completed in spring 2005; and (c) the annual statewide single audit of major federal programs for FY 2004-05 recently began and will be released in early 2006.

COMPLETED PROJECTS

(1) Special Course Fees at University of Wisconsin Institutions describes the range of special course fees among UW institutions, reviews the fee authorization process, and assesses the adequacy of fee collection and assessment procedures.

(2) Occupational Health and Safety Training for UW Employees describes UW institutions' efforts to provide occupational health and safety training to their employees; federal and state training requirements; and training administration, including documentation and coordination of training.

Both reports, including executive summaries, accompany this report.

FOLLOW-UP ACTIVITIES

(1) Student Health and Safety in UW International Education Programs, issued in February 2001, reviewed the implementation of policies and procedures intended to protect the health and safety of UW students studying abroad.

(2) Student Credit Card Debt and Policies on Credit Card Solicitation on University of Wisconsin Property, issued in May 2004, examined studies of student credit card ownership and debt, UW policies on credit card companies' soliciting on campus, and UW institutions' efforts to provide education about credit card ownership.

Office of Operations Review & Audit

Program Review

Special Course Fees at University of Wisconsin Institutions

March 2005

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EXECUTIVE SUMMARY

The Office of Operations Review and Audit reviewed compliance with UW System Financial and Administrative Policy (FAP) G29, "Special Course Fees," which provides for certain instructional costs to be assessed to UW students. The review included: 1) special course fee policy implementation and possible policy revisions; 2) course fee authorization process; and 3) financial activity and accounting for special course fees.

Policy Implementation and Revision

The number of courses with special course fees varies widely, ranging from 17 courses at one UW institution to over 300 courses at another in spring 2003. These differences are attributed in part to: 1) some UW institutions' attempts to limit the costs that are passed along to students; 2) diverse interpretations of the kind of costs that can be recovered through special course fees; 3) an optional provision in the fee policy relating to certain costs; and 4) the types of courses the different UW institutions offer. The review includes examples of areas in which policy implementation has produced variations in special course fee assessments. Included are suggestions from UW institution staff for how best to clarify the policy. The report also examines other ways to recover instructional costs and recommends that alternative processes be explored, such as: 1) using differential tuition; 2) establishing a systemwide fee; and 3) allowing instruction-related activities to be recovered through segregated fees.

Special Course Fee Authorization Process

The special course fee policy requires that all special course fees be approved in writing by the chancellor or his or her designee. The policy also indicates that the chancellor is responsible for ensuring procedures are developed. The report includes recommendations that UW institutions improve faculty awareness of the special course fee authorization process; consider establishing a committee for the special course fee approval process; and improve coordination of fee authorization, publication, and assessment procedures.

Financial Activity

The review examined financial activity for special course fees to determine whether UW institutions have established adequate procedures for assessing and collecting the fees in compliance with UW System guidelines. While procedures appear adequate in most instances, our review identified the need for improved business practices in several areas: 1) one UW institution allows special course fees to be collected in the classroom, which FAP G29 discourages; 2) some UW institutions do not establish separate accounts for special course fees; and 3) significant cash balances have been allowed to accumulate at some UW institutions. The report recommends that UW institutions assess applicable fees through the student accounts receivable system, when possible; maintain special course fees in accounts separate from other activity; establish fee account reserve policies; and have institutional auditors conduct periodic reviews of special course fee accounts.

SCOPE

The Office of Operations Review and Audit reviewed the special course fees UW institutions assess and collect to cover expenses related to the costs of instruction. Included in the review were an examination and analysis of: 1) implementation of Financial and Administrative Policy (FAP) G29, "Special Course Fees," including the types and extent of special course fees and compliance issues; 2) other universities' policies and UW institutions' suggestions for policy revisions; 3) the fee authorization process; and 4) financial activity in fee accounts and accounting for special course fees.

The review methodology included interviews with a variety of institutional staff and written questionnaires about the special course fee authorization, publishing, and accounting processes. To identify the extent of special fee assessments, the review included a compilation of data on the special course fees each UW System institution assessed for the spring 2003 semester. Samples of special course fees were examined to determine compliance with allowable fee provisions, as well as to ensure that proper documentation was maintained. Special course fee accounts and the related cash balances were also reviewed. In addition, the analysis included information from the UW institutions about the FAP's adequacy, information about UW and peer institutions' best practices, and alternative ways to fund additional instructional costs.

BACKGROUND

Special course fees are defined as charges, in addition to the regular instructional fee, that are assessed to all students in a course or are assessed based on student-exercised options, such as optional field trips. The special course fee policy is based on the premise that the usual costs of education are expected to be funded through a combination of tuition and state tax dollars.

The UW System adopted FAP G29, formalizing the assessment of special course fees for credit courses, in 1978; the policy was revised in 1981 and 1991. UW System FAP G29 guidelines establish when special course fees must be charged, may be charged, or may not be charged. The FAP provides brief definitions and examples of required, optional, and non-allowable special course fees, as well as of those costs considered to be personal expenses of students. Included in the policy are the following provisions:

- *Mandatory fees*: The assessment of special course fees is mandatory when the institution incurs costs in addition to the minimum requirements or standard materials made available to all students in a course, such as in the case of student-exercised options or use of additional material.

- *Optional fees*: The assessment of special course fees for some costs is optional. Fees are optional, for example, in the case of private music lessons for non-music major students; materials that result in a tangible product retained by the student; transportation and admission costs on required field trips; and other special or extraordinary costs of certain courses.

- *Fees prohibited*: UW institutions may not assess special course fees for certain costs, such as the cost of the normal level of breakage or consumption of materials, typical duplicated handout materials, or personal expenses of students.

The FAP includes requirements that the chancellor or his or her designee approve the special course fees, that institutions give advance notice of fees, and that institutions use special course fees solely to support the courses involved.

DISCUSSION AND RECOMMENDATIONS

The review examined how institutions have implemented the special course fee policy. This involved a review of how UW institutions have used special course fees, the special course fee authorization process, and financial activity in special course fee accounts.

SPECIAL COURSE FEE USAGE

Some institutions have limited the instructional costs that are passed along to students through special course fees, while others have used a greater number of special course fees. We examined: the number and purposes of special course fees UW institutions have assessed, the variation in assessment of the fees, future opportunities to clarify the fee policy, and other alternatives for recovering institutional costs.

Number and Purposes of Special Course Fees

Special course fees are currently assessed within a wide range of disciplines, such as agriculture, chemistry, business administration, education, engineering, forestry, human ecology, management, mathematics, natural resources, political science, sociology, theater, and others. Special course fee assessments support a wide variety of instructional costs at various UW institutions. These include the cost of: licenses for on-line homework and quiz sites, computer scoring for testing, administration of and criminal background checks for student teaching and internship programs, recital fees, off-campus facilities for portfolio presentations, dry cleaning for period costumes, makeup kits, model fees, and towel fees. Some UW institutions also assess students a fee for consumable supplies or equipment maintenance and replacement in courses that are not required for a degree.

Our interviews indicate that UW institutions' reliance on special course fees has increased in recent years. Several reasons are cited. First, according to UW System budget staff, departmental supply and expense budgets have generally not increased since the 1991-93 budget year. Second, several UW institutions noted that student expectations for learning experiences have increased. Third, departments rely more on increased use of new technology that may add costs that were not anticipated or incorporated in their budgets. Our review also substantiated an increase in the number of special course fees at some UW institutions, since many authorizations tested were recently approved.

UW institutions' implementation of the special course fee policy has resulted in a fairly significant range in the types and numbers of special course fees assessed. For spring 2003, special course fee assessments ranged from fees in 17 courses at UW-Oshkosh to fees in 323 courses at UW-La Crosse, as the table below indicates. The table provides an approximate

Approximate Number of Courses with Special Course Fees
Spring 2003

UW INSTITUTION	NUMBER OF COURSES
Eau Claire	94
Green Bay	58
La Crosse	323
Madison	78
Milwaukee	122
Oshkosh	17
Parkside	47
Platteville	115
River Falls	100
Stout	126 degree courses; 57 electives
Stevens Point	122
Superior	36
Whitewater	24
Colleges	99

Source: Published class schedules

number of courses with special course fees for spring 2003. It is not possible to provide an exact numerical comparison among the institutions because of differences in how UW institutions interpret the requirement to publish special course fees.

Variation in Types of Special Fee Assessments

A major factor contributing to the wide variation in the number and purposes of special course fees is the optional provision in the FAP. This provision allows UW institutions the option of absorbing certain expenses as instructional costs or assessing fees to students for these costs. These might include certain field trip costs or the cost of materials that result in a tangible product. Other factors contributing to the range in special course fee assessments include the types of courses the different UW institutions offer in support of their unique missions and UW institutions' varying interpretations or application of the fee policy. Some examples include:

- *Student-exercised options and additional material*: Mandatory fees relating to student-exercised options or additional material are applied differently. For example, some UW institutions did not publish fees required for optional field trips. Additionally, students who request placement in student teaching positions outside an area a UW institution serves may be assessed an additional charge for supervision, up to $850. However, some Schools of Education have not considered these charges to be subject to the special course fee approval process.

- *Materials that result in tangible product*: Optional special course fees for products retained by students vary widely. In art courses, for example, UW-Superior assesses special fees only for sculpture, ceramics, and photography; other UW institutions, such as UW-Stevens Point and UW-River Falls, assess fees in as many as 30 art courses, including basic drawing, painting, and graphic design. Some UW institutions assess special course fees for tangible products in disciplines other than art. For example, special course fees may support maps produced in geography courses or projects completed in occupational therapy classes at some institutions, but not at others.

- *Private lessons in vocal or instrumental music*: Applied music courses require a one-to-one faculty-to-student ratio, which increases instructional costs. Several UW institutions assess a special course fee, ranging from $50 to $300, to non-music majors for applied music courses; some UW institutions, such as UW-Platteville, do not assess a special course fee to non-music majors. Other UW institutions either do not publish fee requirements or do not allow non-music majors to enroll in applied music courses. UW-Madison's School of Music has addressed the higher cost of applied music by offering private music lessons to non-music majors on a non-credit basis, with separate fees to recover program costs.

- *Other special or extraordinary costs*: The FAP indicates that special course fees may be assessed for other special or extraordinary costs in courses that are not required for any degree program or when an alternative course is offered with no special course fees. Some UW institutions have interpreted this provision to allow students to be charged for consumable supplies; equipment repair or replacement; or salary costs, such as for lifeguards or art models, when courses are not required for a degree. A wellness course at one UW institution, for example, assesses a special course fee for handouts, test copies, body testing and disposable mouth pieces, while wellness courses at some other UW institutions do not have special course fee assessments.

- *Normal level of breakage or consumption of materials*: Only one institution publishes an assessment for a refundable breakage fee in its lab classes. Also, special course fees for supply items, such as lab supplies and the cost of commercial experiments, were identified at several UW institutions; these fees are not permissible, according to the policy. One UW institution has identified certain consumable supply items, such as microscope slides or tennis balls used for instructional purposes, as personal expenses which must be supplied by students.

- *Typical duplicated handout materials*: Some fees, such as for test copies or for "about 200 pages of copied materials," appeared to be for typical duplicated handouts, for which fees are not permissible.

- *Personal expenses*: In order to provide uniformity, save money through bulk purchases or ensure safety standards are met, the FAP provides that the UW institutions may assess a fee to facilitate providing field trips; items necessary to meet personal health, safety, and dress requirements; and recommended books and incidentals. Personal expenses are published as special course fees by some UW institutions and not by others.

Updating the Special Course Fee Policy

In light of the varying interpretations of the special course fee policy, we examined possible strategies for updating the policy. Interviews with UW institution staff indicated that updating the FAP should be considered to clarify several areas where inconsistent interpretations may have occurred and to provide more relevant examples of allowable special fee assessments. These areas include:

- *Courses required for a degree*: Some UW institutions indicated that there was confusion surrounding whether a special course fee may be assessed in a course that is a degree requirement. Some institutions limit special course fee assessments to those courses that are not required for a degree.

- *Instructional materials*: Several UW institutions indicated that the special course fee policy allowed for certain inequities among institutions concerning textbook rental programs. UW institutions using a text rental program do not always make the principal text available to students through the rental program. Certain disciplines encourage students to maintain professional libraries or are more subject to extensive change from year to year, making it cost prohibitive to maintain the texts in a rental program. As a result, students are required to purchase these texts in addition to paying the text rental fee. We found, for example, that UW-Platteville identified instances, such as the Federal Tax course, in which the principal text was not available through the text rental program; other institutions may not consider this area to be subject to special course fee requirements.

- *Consumable supplies*: While fees for consumable supplies used in activities that result in a tangible product retained by students are allowable special course fees, the FAP does not allow fees for consumable supplies that departments must provide for laboratory use or other purposes. We identified special course fee polices at peer institutions that provide greater flexibility by allowing the cost of consumable supplies to be passed along to students. For example, the University of California System allows fees to be assessed for the costs of: course materials to be consumed, retained or used by the student; the use of University-owned tools, musical instruments or other equipment; or other materials or services necessary to provide a special supplemental educational experience of direct benefit to the student.

- *Updated examples*: The FAP includes an appendix that provides examples of fees that must, may, or may not be charged. Several UW institutions noted that the FAP examples are outdated and should be updated periodically to reflect current technology and other requirements.

Other Ways to Recover Instructional Costs

The assessment of special course fees may result in numerous additional charges, some of which are $5 or less, to individual students; accounting for these assessments can be time consuming and costly. Various approaches for reducing the accounting process are:

- *Differential tuition*: UW-Stout has adopted an alternative approach to the assessment of many special course fees through its "Access to Learning" fee -- 5% of tuition -- which is used in part for classroom projects, laboratory experiences, and service activities. This differential tuition is used, in part, in lieu of special course fees assessed to students in courses that are required for a degree. A portion of the Access to Learning fee is set aside for allocation to departments with approved special course fees. The fee was created at the request of students who asked that the number of special course fees be reduced through differential tuition. A committee of students and administrators designate the amount of Access to Learning funds to be used for course costs. According to campus staff, this process has greatly simplified management of course fees and provides students with stability in estimating college costs. UW-Stout continues to assess special course fees directly to students enrolled in some courses that are not required for a degree, such as horseback riding and golf.

- *Systemwide tuition increase*: The UW System technology fee is a tuition surcharge that is intended to provide students with additional services in specified technology areas, such as computer labs and improved student access. Instructional costs currently supported by special course fees could be supported through a systemwide tuition increase, such as that used for the student technology fee.

- *Segregated fees*: The California State University (CSU) System includes a fee for instruction-related activities in its campus fees; CSU campus fees are similar to the UW segregated fees. The amount of the instructional fee varies by CSU institution, from zero to $220 per semester. Each CSU chancellor is authorized to establish and adjust a fee assessed to all regular students for materials, services, and facilities.

Given the wide variation in the number and types of fees the UW institutions assess, as well as differing interpretations of the policy, ***we recommend that the UW System Office of Financial Administration, in partnership with the UW institutions: 1) review and update FAP G29, "Special Course Fees," to provide relevant examples and clarification of required, allowable, and non-allowable fees, as well as personal expenses; and 2) explore alternate ways of recovering certain instructional costs, such as through differential tuition, a tuition surcharge, or segregated fees.***

SPECIAL COURSE FEE AUTHORIZATION PROCESS

We reviewed the UW institutions' procedures for authorizing special course fees, including: 1) how appropriate staff are made aware of the UW System special course fee policy; 2) delegation of the chancellor's authority to approve special course fees; 3) content of authorization forms and record maintenance procedures; 4) publication requirements to ensure students are notified of all special course fees prior to the start of classes; and coordination of the authorization, publication, and assessment processes. The review also included an identification of best practices of UW institutions, as well as other colleges and universities.

Faculty Awareness

Since the need for special course fees to cover instructional costs originates in the classroom, UW faculty awareness of the special course fee policy is a key to ensuring that assessments and collections are not made in the classroom without approval. While some UW institutions rely on the assumption that all faculty, department administrators and deans are aware of the required authorization process based on past practices, other UW institutions notify appropriate staff periodically through memos and emails.

Delegation of Authority

FAP G29 requires that special course fees be approved in writing by the chancellor or his or her designee(s). Generally, the approval process includes a variety of authorized signatures, starting with the instructor, and followed by the department chair's and dean's approval. Final approval usually is assigned to either the provost or chief business officer, although the delegation of this responsibility is sometimes informal and unwritten. Both UW-Madison and UW-Milwaukee assign final authorization responsibility to the various college deans.

Some institutions have formed a campus-wide approval committee. UW-Stout has established a special course fee committee to review and approve each request for a special course fee. A campus audit noted that using a committee has made the approval process more consistent. UW-Green Bay routes special course fee requests through an academic affairs council. Several peer universities have established committees to review and approve special course fees, some also citing more consistent policy interpretations when a committee review process is in place.

Authorization Forms

Most UW institutions have developed a standard authorization form to document the special fee approval, to provide an explanation of why the fee is assessed, and to collect other information. However, at least three UW institutions do not use a standard authorization form; narrative justifications for the fee are completed, which may not include all necessary information. We found several good business practices that could be useful for better documentation of special course fees:

- *Documentation procedures*: Some UW authorization forms include various information, such as: 1) an identification of whether the fee is mandatory or optional; 2) the number of the account into which the fee will be deposited; 3) a spending plan; 4) information about whether the fee will be billed through the student accounts receivable system or collected in class; 5) a notation of whether the primary textbook is provided through the textbook rental service; 6) excerpts from the UW System policy; 7) reference to copyright issues that relate to supplemental material; and 8) an indication of whether the course is required for a degree. One good practice illustrated by several of the UW authorizations is a record that the special course fee authorization form has been sent to the registrar and the student billing office to ensure that all approved fees are published and assessed through the student billing system.

- *Flexible approvals*: Several peer universities establish variable fee authorizations to address changes in the amount of special course fees or changes in the date or location of field trips from one semester to another. Establishing variable fee options recognizes that expenses, such as those for field trips or expendable materials, may fluctuate within a given range over a period of time.

- *Fee review and renewal*: One peer institution requires that all fees be subject to re-approval after five years. We found that special course fees at some UW institutions have not been reviewed since their initial approval, some as many as fifteen years ago. UW-River Falls recently revised its special course fee policy to change approvals for special course fees from an indefinite period to a three-year renewal period.

- *Central file*: Most UW institutions have designated one office to be responsible for maintaining the central file of special course fee authorization forms. Several UW institutions, however, were unable to locate some authorization forms we requested for review, since many of the authorizations date back many years.

Publication of Special Course Fees

The FAP requires that "in all instances where special course fees are approved, students must be advised prior to registration that they will be expected to pay additional costs above institutional instructional fees. Required special course fees must be clearly specified in the university catalog/bulletin and/or timetable/class schedule." All UW institutions publish special course fees in the class schedule. Class schedule information generally originates with UW departments, and efforts to keep students informed about fees are not uniform. For example:

- Some UW institutions notify students that additional fees will be necessary for personal expenses, such as additional texts, additional equipment, or supplemental materials. However, other UW institutions do not publish out-of-pocket costs.

- Some UW institutions publish required field trips without designating whether students are to pay field trip costs or whether those costs are covered by the department budget.

- At least two UW institutions do not publish the amount of the special course fees; students are notified only that special fees are required.

- UW institutions have different interpretations of which fees are subject to the special course fee approval and publication requirements. For example, several UW institutions have not traditionally considered some fees relating to clinical experiences or internships to be special course fees and, therefore, do not publish them as special course fees.

Coordination of Authorization, Publication, and Assessment Processes

The special course fee process requires coordination of several different processes -- fee authorization, publication, assessment, and collection. Several UW institutions have established procedures to periodically compare approved fees with published fees and then with fees actually

assessed and collected. At both UW-La Crosse and UW-Superior, for example, the bursar is assigned responsibility for reconciling published fees to special course fee approval documents. However, we found that a number of institutions need to improve coordination in this area. For example, 21 special course fees were published at one UW institution for Sports and Recreation Department classes offered during spring 2003, but the fees had not been approved through the campus special course fee process. Also, the special course fees published for another UW institution had not been updated and did not agree with special course fees assessed to students.

In order to meet the authorization and publication requirements of FAP G29, ***we recommend that UW institutions improve the special course fee authorization process***. Depending upon the institution, possible changes include: 1) periodically providing information about special course fee requirements to appropriate staff through a Web site, administrative manuals, annual handouts, or other means; 2) establishing a committee for the special course fee authorization process; 3) using special course fee authorization forms that include information that assists in policy implementation; 4) using renewal periods for fee re-authorization; 5) maintaining authorization forms in an accessible manner; 6) publishing fee amounts in class schedules; and 7) establishing procedures to compare authorized, published, and assessed special course fees.

In addition, as a good business practice, ***we recommend that the UW System Office of Financial Administration: 1) develop a standard special course fee authorization form as a model for UW institutions; and 2) include the form in FAP G29.*** The standard form could be developed using appropriate components of other universities' forms as a model.

FINANCIAL ACTIVITY

We reviewed financial activity for special course fees to determine whether UW institutions have: 1) limited the actual collection of cash in the classroom; and 2) managed special course fee accounts to support the classes for which the fees are assessed. This review included the fee assessment and collection process, the accounts established to maintain special course fee revenue and expenditures, and cash balances in these accounts.

Fee Assessment and Collection

FAP G29 notes that collection of special course fees in the classroom is discouraged. We found that the majority of special course fees are assessed to all students enrolled in a course. Most UW institutions assess these fees through their student accounts receivable system; courses are flagged with special course fee indicator codes, and enrollment in the class automatically assesses a special course fee. UW-Madison, on the other hand, allows these fees to be collected in the classroom.

Some fees that will be assessed for student-exercised options or additional material are unknown at the beginning of classes. Since most UW institutions make additional material available for certain classes or offer optional field trips, some students would be expected to pay fees throughout the semester. Although at least one UW institution uses the student accounts receivable system to individually invoice special course fees for these students, other UW

institutions report that these fees are not deposited with the university cashier. We question whether some UW institutions have established adequate controls over these fees without centralized collection and billing.

Special Course Fee Accounts

The FAP requires that special course fees be used solely to support the courses for which the special fee is assessed. We found that most UW institutions establish separate special course fee accounts for each department or course to ensure compliance and documentation. However, three UW institutions combined special course fee deposits with revenue generated from other activity, making it difficult to verify whether the amounts collected for special course fees were expended for the benefit of students who paid those fees. Special course fees are generally deposited to Fund 128 (auxiliary operations) accounts, although at least two UW institutions use other funds for some special course fee activity.

The FAP states that special course fee funds should be administered "in ways that provide students paying those fees a reasonable opportunity to benefit equitably from the expenditure of the fee funds." We reviewed cash balances in special course fee accounts over a three-year period to determine whether cash balances have been allowed to accumulate; this could indicate that the fees have not been spent for the benefit of the students paying the fees or that fees charged are higher than necessary.

Cash balances are related, in part, to the extent of activity in these accounts. This activity varies based on the number of classes using the same account, number of students enrolled in these classes, and amount of the special course fee. There is a wide range of cash balances in special course fee accounts. For example, selected UW-Eau Claire special course fee account balances ranged from a deficit of $5,587 to a balance of $45,898 as of June 30, 2002, while UW-LaCrosse balances ranged from a deficit of $9,020 to a balance of $31,953.

While balances in the accounts may fluctuate, we identified some accounts at various UW institutions that maintained large cash balances or consistent deficits. For example, a comparison from one year to the next shows that the account balance for one physics special course fee was $49,531 on June 30, 2001 and $31,953 on June 20, 2002. A chemistry lab manual account balance was $19,096 as of June 30, 2001 and $18,907 on June 30, 2002. We also identified instances where special course fee accounts maintained deficit cash balances over a several-year period.

Many UW institutions do not have a written policy to address reserves in special course fee accounts. Although special course fees are generally maintained in Fund 128 accounts, these are not considered to be auxiliary activities subject to reserve policies established through FAP 43, "Financial Management of Auxiliary Operations." Staff at several institutions reported that the business office or departments informally monitored account balances during the budget process.

Several other UW institutions have addressed special course fee reserves through written policies. UW-Milwaukee, for example, has established a procedure governing special course fee account balances that requires a questionnaire to be completed when an account has a projected

ending cash balance that exceeds 15% of annual expenditures and is greater than $10,000, or when the projected ending cash balance is negative. The procedure includes providing a plan for how the balance will be reduced, such as reducing future user fee rates, holding rates constant, or increasing expenditures by expanding services.

Policies established at other universities to address special course fee account balances include the following:

- The University of Arizona limits the account balance to 20% of the annual fees collected as an operating reserve. If account balances exceed this limit, the excess must be approved by the university fee committee and the fees must be adjusted (eliminated, reduced or deferred for a period of time) to bring balances to within appropriate levels.

- Colorado State University requires that the fund balance approximate zero. If fund balances are in excess of 10% of revenue at fiscal year end, a justification must be submitted to the special course fee committee, along with a plan for managing the balance.

While the FAP dictates that special course fees be reviewed on a regular basis as part of academic fee audits, we found that many UW institutions had not recently conducted reviews. UW-Superior, Stout and Platteville are among the institutions to have recently conducted reviews of their special course fees. ***We recommend UW institutions ensure proper accounting and auditing for special course fees.*** This includes: 1) ensuring adequate controls are established for the collection of special course fees; 2) maintaining special course fees in accounts separate from other activity; 3) establishing fee account reserve policies; and 4) having the institutional auditors conduct periodic reviews of special course fee accounts.

CONCLUSION

UW institutions have assessed and collected special course fees since the special course fee policy was implemented in 1978. UW institutions have interpreted various fee provisions differently and, as a result, the assessment of fees throughout the UW System is not consistent. Also, the policy relies heavily on examples of allowable and non-allowable fees. With increased technology and other requirements, some of the examples have become outdated and are in need of revision.

While UW institutions have established certain procedures relating to the fee authorization and notification requirements, improvements could be made at some of the UW institutions. Additionally, accounting for special course fees could be improved at some of the UW institutions. As a result, we have recommended UW institutions:

- improve the special course fee authorization process; and

- ensure proper accounting for special course fees.

In addition, we have recommended that the UW System Office of Financial Administration, in partnership with the UW institutions:

- review and update FAP G29, "Special Course Fees," to provide relevant examples and clarification of required, allowable, and non-allowable fees, as well as personal expenses;

- explore alternate ways of recovering certain instructional costs, such as through differential tuition, a tuition surcharge, or segregated fees; and

- develop a standard special course fee authorization form as a model for UW institutions, and include the form in FAP G29.

APPENDIX

FINANCIAL AND ADMINISTRATIVE POLICIES

SPECIAL COURSE FEES (G29)

Revised: December 23, 1996

I. **Overview**

The Board of Regents of the University of Wisconsin System is empowered to establish special course fees under the provisions of section 36.27(1) of the Wisconsin Statutes. The intent of this paper is to formalize the UW System policy on assessment of special course fees for credit courses.

II. **Policy**

Special course fees are defined as charges in addition to the regular instructional fee, segregated fee and tuition. These fees are assessed to all students in a course or are assessed or directly collected from individual students based on student exercised options.

In general, for courses required for degree completion, students should only be charged a special course fee for those items which would not reasonably be included in instructional fees. Special course fees, where approved, must be used solely for support of the courses involved. All institutions must strive to administer the special course fee funds in ways that provide students paying those fees a reasonable opportunity to benefit equitably from the expenditure of the fee funds. Difficulty in securing adequate regular budget support shall not be the determining factor in the decision to charge selected students a special course fee.

In all instances where special course fees are approved, students must be advised prior to registration that they will be expected to pay additional cost above institutional instructional fees. Required special course fees must be clearly specified in the university catalog/bulletin and/or timetable/class schedule.

III. **Guidelines**

A. Special course fees MUST be charged in the following situations:

1. When a student exercises an option to participate beyond the minimum requirements of a course which results in additional supplies and expense (S&E) costs to the institution.

2. When a student consumes the standard resources provided to all students to complete course requirements and requires additional resources to complete the requirements OR upgrades the materials used to complete the requirements.

B. Special course fees MAY be charged in the following situations:

1. For private lessons in vocal or instrumental music to all non- music major students enrolled for private lessons. This fee may also be assessed to music majors who elect to take additional lessons beyond the major degree requirements; OR

2. For materials that result in a tangible product that is retained by the student in a credit course; OR

3. For transportation and admission costs incurred on field trips required in credit course instruction; OR

4. For extensive instructional handout materials that are clearly a replacement for a principal textbook or substantial reference material for a course (applies only to institutions without a Textbook Rental Program); OR

5. For supplementary textbooks and resource materials (applies to institutions with a Textbook Rental Program); OR

6. For other special or extraordinary costs of a course:

a. which is not a requirement for any degree program OR

b. when an alternative course is offered with no special course fees.

C. Special course fees MAY NOT be charged in the following situations:

1. For the normal level of breakage or consumption of materials purchased by the University for direct use by students in activities that are integral to credit course instruction; OR

Key and similar type deposits may be required in order to insure the return in reasonable condition (normal wear and tear excepted) of University equipment and supplies temporarily assigned to the student.

2. For health and/or safety equipment required in carrying out course activities; OR

3. For typical duplicated instructional handout materials; OR

4. For computer and other laboratory equipment usage, primary software, maintenance and related supplies; OR

5. In general, for activities related to required credit-course instruction not identified in A. or B., even though these course activities represent special or extraordinary cost

D. The following items are considered to be PERSONAL expenses of students.

1. Food, lodging and incidentals on all required field trips.

2. Transportation to sites related to student teaching, clinical assignments and other types of practicums.

3. Personal health, safety and dress requirements related to instruction.

4. Recommended books and incidentals.

5. Required books, publications and instructional software templates for those institutions without a Textbook Rental Program.

A special course fee may be assessed to students to facilitate the acquisition of items 1., 3., and 4. above.

Examples of when a special course fee must, may and may not be charged are outlined in Appendix I.

IV. Procedures

All special course fees must be approved in writing by the Chancellor or designee(s). The Chancellor is responsible for insuring that these policies are observed and for developing procedures at each institution. Exceptions may be authorized by the Chancellor or designee.

Collection of special course fees in the classroom is discouraged. Except in those instances where payments are more appropriately paid directly to vendors, special course fees assessed by the university must be deposited to and expended from state accounts. Special course fees will be reviewed on a regular basis as part of the Academic Fee Audit.

History: This paper was first issued in 1978 and revised in 1981.

FAP - Special Course Fees (G29)
Appendix I

EXAMPLES (keyed to policy's paragraph numbers):

A. Special Course Fees MUST be charged in the following situations:

1. A geology course has an optional field trip to view glacial formations.

2. In an art course dealing with metal working, a student elects to make a piece of jewelry out of a precious metal, such as gold, rather than the supplied aluminum.

   An art student is required to prepare two weavings for a course and is provided materials to complete the project. The student decides to complete an additional weaving.

B. Special Course Fees MAY be charged in the following situations:

1. A non-music major is taking private piano lessons.

2. A student is taking an art course where the use of leather results in a belt kept by the student.

3. A student is taking a course where the course involves a required bus trip and admission to a museum.

4. A magazine subscription is required for a radio/television course due to changing technology.

5. The principal text for a geography course is provided through the Textbook Rental Program. The geography department provides a supplementary map book to students that the students will retain.

   A chemistry lab manual is used by the students to record lab results.

6. a. A student is required to take a physical education course as a degree requirement. The student elects to take a scuba diving course to satisfy this requirement. The Phy Ed department contracts with a local vendor for air tank filling and for rental of the equipment necessary for each student. The scuba diving course is not required for any university offered major/minor.

   b. A student is required to take a physical education course as a degree requirement. Horseback riding is offered with a special course fee. Golf is an acceptable alternative course which meets the degree requirement and is offered with no special fee. A special course fee may be charged for horseback riding.

C. Special Course Fees MAY NOT be charged in the following situations:

1. Breakage fees beyond normal wear and tear for glassware for students enrolled in chemistry courses.

2. OSHA equipment requirements of safety shields, respirators, eye wash equipment, etc.

3. Duplicated materials such as assignments, syllabi, etc.

4. Computer access required in an accounting course.

   Use of a CAD/CAM or LOTUS software program in an architecture course.

   Use of a chemistry laboratory.

5. Specimens for a biology course.

D. The following are PERSONAL expenses of students:

1. Lunch on a required field trip.
2. Bus fare for clinical nurses to travel to local hospitals.
3. Gymnasium dress for physical education classes.

   Health and safety supplies such as ear plugs, hairnets, goggles, microshields, etc.

4. Calculators recommended in a math course.
5. A specific LOTUS template used in an auditing course containing course related problems which replaces a workbook.

Office of Operations Review and Audit

Program Review

Occupational Health and Safety Training for UW Employees

May 2004

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EXECUTIVE SUMMARY

The University of Wisconsin System Office of Operations Review and Audit examined the extent to which UW institutions provide occupational health and safety training to their employees. UW employees hold such diverse jobs as academic and research positions, custodial, facilities maintenance, food service, office work and health professions. Each of these occupations carries its own unique set of occupational health and safety risks, ranging from carpal tunnel syndrome from the repetitive motions used in an office setting to exposure to dangerous chemicals or radioactive materials in laboratory settings. In 2003 the UW System employed 37,567 individuals in classified, unclassified, and research assistant positions. The System also employs approximately 23,000 student hourly workers each year. Most UW institutions have one staff person assigned to perform a range of risk management, environmental health, workers' compensation and occupational safety responsibilities.

In addition to training workers to protect themselves, effective health and safety training may reduce the costs associated with workplace accidents and injuries. For example, the UW System paid an average of approximately $3.5 million per year in workers' compensation claims between 1998 and 2002. These costs do not take into account the pain or lost productivity resulting from workplace accidents and injuries.

Occupational Health and Safety Training Requirements

Federal Occupational Safety and Health Administration (OSHA) regulations require employers to train employees about specific issues to protect their health and safety. The Wisconsin Department of Commerce has adopted and enforces virtually all OSHA regulations in government workplaces, including the UW System. Examples of training include training in responses to hazardous materials for employees who have these materials in their work areas, as well as training about bloodborne pathogens for employees who could be exposed to blood as part of their work. Other federal agencies, such as the Environmental Protection Agency, the Department of Transportation and the Nuclear Regulatory Commission, also require employee training.

While meeting regulatory requirements is important, creating a safe workplace requires employers to address issues beyond those outlined in regulations. UW occupational health and safety staff noted that most workers' compensation claims are for slips and falls, yet no regulations require training to address this hazard. Higher education institutions commonly offer ergonomics training, drivers' education training, and food service training to make their workplace safer.

UW Efforts to Meet Safety Training Requirements

Based on our review of training practices at eight UW institutions, we found that none of the institutions had established formal training programs to cover all of the requirements outlined in federal regulations. Even institutions that have actively tried to comply with the regulations are not able to provide formal training programs for the full range of topics or to offer them

frequently enough to meet deadlines included in the regulations. Our review of formal training programs at institutions in other states revealed that this may not be unusual in higher education.

Occupational health and safety staff acknowledged that compliance is a challenge, given the large number of requirements, the variety of occupations on each campus, and the number of employees requiring training. Some occupational health and safety staff noted that supervisors may train employees directly to meet requirements for which no formal program is provided, while other supervisors rely on occupational health and safety staff to provide training. OSHA guidelines suggest that targeting certain high-risk groups, such as new employees and employees in high-risk jobs, is one way to maximize training resources. The report includes a recommendation that institutions promote a safety culture that seeks to meet and exceed minimum safety standards outlined in health and safety regulations.

Training Methods and Coordination

UW occupational health and safety staff indicated that classroom training is generally the most effective method for conveying health and safety information. Staff indicated that direct training by supervisors, training videos, and computer-based training were also useful for employees whose schedules cannot accommodate traditional classroom sessions. Some institutions have hired consultants to provide training, but staff noted that the cost makes this impractical for meeting the extensive number of mandated training requirements. Most institutions use more than one method to meet training needs, such as using videos as part of a classroom session.

Computer-based health and safety training is becoming increasingly prevalent. We reviewed training information from 27 institutions in other states and found that 19 of these offered at least one on-line training course, with some institutions offering a large number of on-line courses. The UW System Office of Safety and Loss Prevention piloted a systemwide computer-based training program to help UW institutions meet the hazardous communication requirement. Some UW institutions also have developed their own computer-based programs.

We examined institutions' methods for identifying training needs and documenting whether employees have received training. Staff described a variety of approaches for identifying training needs. They indicated that student employees, limited-term employees, summer employees and some faculty were the least likely groups to receive required training. Some institutions maintain a central file to document employee training, while others rely on supervisors to maintain those records in employee files. Documentation that an institution has provided required training can assure that employees receive the training they need to protect their safety and may also protect the institution's interests if workers' compensation claims arise. The report includes a recommendation that institutions assure that proper procedures are in place to identify training needs and to document provided training.

Efforts to coordinate training systemwide could help avoid duplication of effort and promote the sharing of resources among institutions. The Oklahoma State Regents for Higher Education established an innovative model for coordinating occupational health and safety training among institutions. The report includes a recommendation that UW System establish a mechanism for coordinating training among the UW institutions.

SCOPE

In response to a request from the University of Wisconsin System Office of Safety and Loss Prevention, the Office of Operations Review and Audit reviewed the implementation of policies and procedures used to provide required occupational health and safety training to UW employees. State and federal regulations require employers to provide a range of training to employees to help prevent accidents and injuries.

To conduct the review, Office of Operations Review and Audit staff visited and interviewed occupational health and safety staff at UW-Madison, Milwaukee, Oshkosh, Parkside, River Falls, Stevens Point and Stout, and interviewed staff at UW-Green Bay to identify methods these institutions use to provide, document, and track training. We identified federal regulations and state administrative rules that include health and safety training requirements and guidelines. We also reviewed health and safety training information from 27 higher education institutions in other states for comparative analysis.

BACKGROUND

University jobs include a wide variety of occupations in addition to academic and research positions, such as custodial work, facilities maintenance, food service, office jobs, and health professions. Each of these occupations carries its own unique set of occupational health and safety risks. For example, office workers may be at risk of developing carpal tunnel syndrome from the repetitive motion of typing, facilities workers may work in potentially dangerous enclosed spaces, and some academic staff may use dangerous chemicals or radioactive materials as part of their research. UW System headcount data for the October 2003 payroll show that the UW System employed a total of 37,567 individuals in classified, unclassified and research assistant positions in 2003. UW Employee Compensation and Business Service statistics also show that UW System employs approximately 23,000 student hourly workers each year.

A 1997 incident at Dartmouth College illustrates the importance of meeting federal Occupational Safety and Health Administration (OSHA) training regulations for protecting employee safety. A professor at Dartmouth died of mercury poisoning in June 1997 after she was exposed to a rare chemical in a university laboratory ten months earlier. The professor was exposed while using disposable latex gloves that did not adequately protect against the chemical. In addition to experiencing this tragic loss, this private institution received citations and a $9,000 fine from OSHA for not training the employee about the limitations of various types of protective gloves when handling chemicals.

In July 1993 Governor Tommy Thompson issued an executive order recognizing the importance of protecting the health and safety of state employees. Executive Order 194 required all state agencies to develop a comprehensive written occupational health and safety program that included a range of activities designed to improve worker safety in government agencies. Among the required components of the safety program was to “provide adequate health and safety training and education for managers, supervisors and employees.” In October 1994, in response to the executive order, the Board of Regents adopted a written occupational health and

safety program for UW System Administration. The health and safety program outlines 13 elements of an effective safety program and describes the role that the UW System Office of Safety and Loss Prevention plays in meeting those goals. One of the program elements is to help institutions assure that institutions provide health and safety training.

Occupational health and safety training is an important component of an overall safety program. Some OSHA regulations require employers to train employees about specific issues to protect their health and safety. Other OSHA regulations require employers to "limit certain job assignments to employees who are 'certified,' 'competent,' or 'qualified'--meaning that they have had special previous training in or out of the workplace."

Occupational health and safety training is part of an overall safety program.

While OSHA is responsible for developing federal regulations to protect the health and safety of employees, it does not directly regulate government employers. The Department of Commerce in Wisconsin, however, has adopted and enforces virtually all OSHA regulations for government workplaces, including the University of Wisconsin (s. Comm 32.15, Wis. Adm. Code). Other federal agencies, such as the Nuclear Regulatory Commission, the Department of Transportation, and the Environmental Protection Agency, also have training regulations that apply to UW workplaces.

In addition to protecting employees, an effective occupational health and safety program can be cost effective for an organization by including a range of activities to help identify and manage hazards. According to the American Society of Safety Engineers, every dollar invested in a health and safety program could save four to six dollars in costs associated with injuries, illnesses, and fatalities. Safety experts note that cost savings may result from increased worker productivity through reduced time loss due to injury or illness.

A safe workplace also reduces workers' compensation claims. Workers' compensation provides benefits to employees who are injured or disabled on the job and to dependents of employees who are killed in work-related accidents. Workers' compensation claims for UW System institutions have remained fairly stable over time, averaging approximately $3.5 million per year between 1998 and 2002. Premiums the UW paid to the Department of Administration to cover those claims during that time averaged approximately $3.8 million. Premiums are based, in part, on the past claims experience of an organization. Training efforts that help to reduce workplace injuries could help reduce these costs.

DISCUSSION AND RECOMMENDATIONS

This review examines occupational health and safety training requirements and explores approaches UW institutions and institutions in other states have used to provide health and safety training. The review covers: 1) federal and state training requirements and recommendations; 2) training methods; and 3) administrative processes related to this training.

OCCUPATIONAL HEALTH AND SAFETY TRAINING REQUIREMENTS

We found that UW institutions provide a variety of health and safety training programs for employees. We reviewed OSHA training regulations, other federal health and safety training requirements, and UW compliance with the training regulations.

OSHA Regulations

Occupational health and safety training requirements are extensive. One source we reviewed identified over 70 training requirements in OSHA regulations. OSHA regulations require training for employees in workplaces with hazards such as bloodborne pathogens, asbestos, and flammable and combustible material. The regulations require that training cover topics such as approaches to help employees recognize and prevent hazards, practices to protect employees from hazards, and appropriate responses to emergencies. Employers are usually required to provide training soon after a new employee is hired and, in some cases, also to provide additional training annually thereafter. OSHA regulations are found in the Code of Federal Regulations at 29 CFR 1910. The following are three common types of OSHA training that illustrate the types of training UW institutions must provide:

Employees are required to receive training about workplace hazards.

- *Hazard Communication Training (29 CFR 1910.1200)*: Employers are required to provide employees with information and training on hazardous chemicals in their work area. Some of the topics that training is required to cover include: methods to detect the presence of chemicals in the work area, the physical and health hazards of those chemicals, approaches for protecting against those chemical hazards, the employer's hazard communication program, the location and availability of information about chemicals contained in Material Data Safety Sheets, and instructions for using the information in the sheets.

- *Bloodborne Pathogens Training (29 CFR 1910.1030)*: Training about bloodborne pathogens must be provided to all employees who may be exposed to blood during their work. While this most commonly includes employees who work in the health professions, the institutions in our review also included other employees, such as custodial staff, athletic staff and child care workers, who may encounter blood as part of their work. Training is required at the time of initial assignment to tasks in which occupational exposure may occur, annually thereafter, and whenever new tasks that could change the level of exposure are added to an employee's work tasks. The training must include information about the transmission of bloodborne pathogens; methods for preventing exposure, including use of personal protective equipment and information about the hepatitis B vaccination; and appropriate responses to exposure incidents. The training must include an opportunity for interactive questions and answers with the person conducting the training.

- *Personal Protective Equipment (PPE) Training (29 CFR 1910.132)*: Personal Protective Equipment includes such items as gloves, goggles and face-shields. PPE training is required for anyone who is required to use PPE as part of their job. The training is required to cover when and how to use PPE, as well as the proper care, useful life and limitations of PPE.

Employees are required to demonstrate that they know how to use the equipment. Employees must be retrained if it appears that they do not have the skills to use the equipment or if there are changes in the workplace that make their previous training obsolete. Employers must verify and certify in writing that the training has been completed.

While meeting regulatory requirements is important, OSHA guidelines recognize that creating a safe workplace requires employers to address issues beyond those outlined in regulations. OSHA recommends that employers use a proactive approach for identifying and developing training to reduce any job hazard identified by the employer, whether or not regulations cover the hazard. We found circumstances in which training could be beneficial, even if not required by federal or state regulations. UW staff noted, for example, that most workers' compensation claims involve slips and falls, and yet no regulations require training to address these hazards. UW institutions that operate their own food services are not licensed or regulated by outside agencies for food safety, and yet efforts to assure that proper food handling procedures are used are critical for preventing illness. Other examples of optional training provided by universities in other states include ergonomics training; drivers' education training, including training in the appropriate operation of 15-passenger vans; and health and safety issues for pregnant workers.

OSHA guidelines recognize other, non-mandatory safety training needs.

OSHA guidelines recommend a variety of approaches for identifying training needs. These approaches include: 1) analyzing company accident and injury records to determine how accidents occurred and how to prevent them; 2) requesting that employees describe their jobs in writing, including the tasks, tools and equipment used to perform the jobs; 3) observing employees at work and questioning them about their activities; 4) examining similar training programs offered by other companies in the same industry; and 5) using a formal job hazard analysis that assesses the risks of specific jobs.

Other Federal Training Regulations

Other federal agencies, in addition to OSHA, regulate workplace safety and require certain training for workers. For example, the Environmental Protection Agency and the Department of Transportation require training for people who handle hazardous waste. These regulations require that employees receive training within 90 days after employment and recurrent training once every three years. Employers are required to keep training records for each employee throughout employment and for varying lengths of time after leaving employment, depending on the regulations governing the training.

Other federal agencies, in addition to OSHA, require health and safety training.

The Nuclear Regulatory Commission (NRC) requires safety training for employees who work with radioactive materials. Employers are to train all employees who may be exposed to radiation in the workplace about such topics as appropriate storage of radioactive materials, health protection and appropriate response to emergencies. Wisconsin became an agreement state with the Nuclear Regulatory Commission in 2003, at which time Wisconsin's Department

of Health and Family Services became responsible for enforcing certain regulations covering the use of radioactive materials.

Meeting Safety Training Requirements

We found that occupational health and safety offices at UW institutions typically offer formal training programs for a small number of the state- and federally-required training topics. One institution offers only two training courses, while staff at another institution indicated that staffing limitations prevent the institution from developing any formal safety training program. Occupational health and safety staff indicated that supervisors are ultimately responsible for providing training to meet the requirements; however, it is unlikely that most supervisors are aware of all of the requirements.

Even institutions that have actively attempted to meet regulatory requirements by providing formal training programs are unable to provide the full range of topics frequently enough to meet those requirements. For example, UW-Stout's training calendar revealed plans to offer training on 26 topics throughout 2003, which is about 40 percent of the 66 topics UW-Stout estimated would apply to the institution. Training that is offered only once a year also may not be sufficient to meet deadlines included in the regulations. Many of the regulations require that employers train employees before they are exposed to a risk. Bloodborne pathogen training, for example, is required before exposure to blood may occur and annually thereafter. Employees may find themselves facing new risks throughout the year. Other regulations, such as those for operating fire extinguishers, are required upon initial employment. New employees may be hired throughout the year, requiring frequent and flexible scheduling of training to meet the requirements.

Difficulty in achieving compliance with training requirements may not be unique to UW System institutions. We found that the number of formal occupational health and safety training programs offered by institutions in other states also varied significantly. For example, the 27 institutions in other states for which we obtained information offered an average of 19 formal training programs each; one offered no courses, and five of the remaining institutions offered five or fewer. Given UW-Stout's analysis, it appears unlikely that these institutions would be subject to so few training requirements.

While it may be difficult to meet federal and state training regulations, compliance is important. Employee safety is of paramount concern, and failing to comply with state and federal training regulations may place employees at undue risk of injury. In addition, federal and state officials may issue citations and fines if they find compliance problems. Further, s. 102.57, Wis. Stats., entitles an employee to a 15 percent bonus in workers' compensation benefits if the employee can demonstrate that an injury resulted because the employer violated health and safety regulations; failing to provide required training would be a violation. Conversely, s. 102.58, Wis. Stats., decreases workers' compensation benefits by 15 percent if the employer can demonstrate that an employee failed to use a safety device or follow

Compliance with training requirements promotes safety and can reduce workers' compensation costs.

safety practices. Documentation of training could help employers demonstrate that the institution communicated safety practices to employees.

While achieving compliance with all of these requirements may not be feasible, efforts to systematically identify training requirements that apply to the workplace would allow institutions to prioritize training efforts and, over time, to address gaps that may exist. UW-Stout has used a self-assessment checklist to identify potential compliance issues. ***We recommend that institutional occupational safety managers, working with other UW campus administrators, review occupational health and safety training regulations to identify training needs and develop a plan to prioritize and meet training requirements.***

TRAINING METHODS

OSHA guidelines recognize that there are a variety of methods for providing training. They indicate that the resources available to the organization, as well as the nature of the training, will determine the type of training provided. For example, teaching a physical skill requires a different training approach than providing training designed to change attitudes.

We found that most institutions use multiple methods to meet training needs. Multiple training methods can stretch scarce resources, provide options to meet a variety of work schedules, and help institutions meet timeframes established in health and safety regulations. For example, several institutions appeared to require classroom instruction to meet initial training requirements and then used on-line training to meet refresher requirements. Others provided formal classroom instruction while relying on supervisors to provide additional instruction to address safety issues specific to a worksite. The flexibility of on-line training, combined with direct instruction from supervisors, could provide critical information to workers in a timely manner and help institutions meet mandatory training deadlines. We examined methods UW institutions use to deliver training to employees -- classroom training, training by supervisors, consultant training, videos, and computer-based training -- and identified benefits and disadvantages of each approach.

Classroom Training

All staff interviewed for our review indicated that they relied primarily on formal classroom health and safety training for employees. Staff generally believed that classroom training was the most effective means of delivering training because it allows participants to ask questions if they are confused about a concept, and it allows the trainer to observe participants practice hands-on activities.

Staff also noted drawbacks to classroom training. They indicated that it can be difficult to schedule formal classroom training in a timely manner, particularly for topics that may be required for only a small number of employees. They also reported that it can be difficult to schedule training to meet the needs of employees who do

Formal classroom training can be difficult to develop and to schedule for small groups of employees.

not work regular shifts. Some supervisors do not believe that they can spare staff for the amount of time away from work that formal training requires. Finally, the majority of institutions in our review have allocated only a small portion of one person's staff time for developing and delivering occupational health and safety training. It would be impossible for most UW institutions to develop and deliver formal training for the full range of required topics.

Direct Training by Supervisors

Staff indicated that informal training methods also play an important role in meeting training requirements. Institutions rely on direct instruction by supervisors to achieve compliance with many of the OSHA training requirements. For example, supervisors may provide direct instruction in the proper use of personal protective equipment. Direct instruction does not require training to be scheduled and may allow employers to provide the information in a timely manner.

Supervisor instruction is an essential part of any occupational safety program, but some safety managers we interviewed were uncomfortable relying too extensively on supervisors to provide training. One staff person noted that supervisors may not deliver a consistent message based on the most recent or best information about preventing a hazard. Supervisors may also neglect to provide training if they are unaware of a training requirement or if they presume an employee already has a certain skill or knowledge. However, even institutions that provide an extensive number of formal training programs often rely on supervisors to provide additional instruction to help employees apply the concepts of training to the specific worksite.

On-the-job safety training by supervisors is common.

To improve the ability of supervisors to provide direct instruction, one university in another state provides supervisors with brochures that describe appropriate information to be shared with employees. Also, participation in train-the-trainer exercises can provide supervisors and others with skills they need to train their employees.

Office of Safety and Loss Prevention staff suggested that subscription services could also be useful for providing supervisors with valuable health and safety information. Subscription services are Internet sites that provide training and compliance information resources so that managers do not have to create them on their own. For example, a safety website developed by the Business and Legal Report includes training resources such as PowerPoint presentations, training checklists, handouts, quizzes and trainers' outlines; compliance resources such as regulatory analysis, regulations, directives, compliance checklists and policies; and best practice information for safety management. UW System previously provided systemwide access to a similar subscription service, "*SafetySmart!*," but discontinued participation due to the high cost of the service and budget constraints. The subscription cost $16,773 in 2002. UW System staff indicated that they plan to explore other subscription service options.

Consultants

In some cases, UW institutions reported that they hired consultants to provide training. Consultants are available to provide training on most health and safety topics. This approach has the advantages of classroom training, while allowing institutions to provide specialized training in areas where on-site staff may lack expertise or knowledge. Most staff noted, however, that the extensive use of consultants to meet training requirements would not be practical. Staff noted that consultants can be expensive, often costing thousands of dollars for a few days of work. Staff at one UW institution indicated that they have not used consultants for several years because past programs did not respond to the specific needs of the organization; a pre-conference meeting would be important to clarify the organization's training needs.

Training Videos

We found that both UW institutions and educational institutions in other states maintain a library of health and safety videos that supervisors and employees may use. Training videos typically present health and safety information in a lecture format, along with illustrations and examples of approaches for managing hazards. Training videos allow institutions to expand the range of topics offered beyond those within the expertise of the institution's health and safety staff. Training videos also are adaptable to work schedules, since supervisors or staff may use videos upon request. This flexibility could increase the ability of institutions to meet the deadlines for providing initial training and for accommodating unusual work schedules.

Training videos are a flexible option, but they may become quickly outdated.

Despite these advantages, staff reported that supervisors and employees rarely request or use training videos. They noted that the information is often quickly outdated and is not customized to the specific needs of the organization. Employees that view videos in isolation do not have the opportunity to ask questions or use hands-on skills. Nevertheless, some staff reported that there are some good videos available and that they can be used as one component of classroom training.

Computer-Based Training

Computer-based training, which includes training delivered "on-line" on the Internet, is an emerging option that higher education institutions are using to meet some training requirements. We reviewed the extent to which institutions provide on-line occupational health and safety training.

Nineteen of the 27 higher educational institutions in other states in our review offered at least one on-line training course.

We found that 19 of the 27 educational institutions in other states in our review offered at least one on-line training course, with Iowa State University providing the most on-line training, offering over 40 on-line courses. The University of Iowa listed 28 on-line courses on its training website, while the University of Pennsylvania listed 18 courses. Most institutions, however, appeared to offer only a few such courses, with 10 of the 19 institutions that offer on-line training providing three or fewer courses.

We reviewed the content of some of the on-line programs and found that institutions use a wide range of approaches. Most programs we reviewed were a series of informational slides. Some on-line programs require participants to "log in" to begin the program and then the computer program monitors whether the employee completes the course. Others relied on supervisors or participants to report that the employee completed the course. More sophisticated programs required participants to answer questions throughout the program or complete a computer-graded quiz at the end of the course. One course we reviewed had participants complete a series of questions at the beginning to determine which components applied to the specific needs of the employee; the computer program then automatically customized the training to the specific needs of the employee.

The UW also has developed on-line training options. UW-Milwaukee, for example, provides on-line information for over a dozen health and safety topics, consisting of a series of slides describing health and safety issues for each topic. Also, the UW System Office of Safety and Loss Prevention recently developed and piloted an on-line training course to meet OSHA's hazard communication requirement.

We reviewed the UW System hazard communication training. Office of Safety and Loss Prevention staff worked with institutional staff and the University of Wisconsin Learning Innovations program to develop the program. Learning Innovations provides instructional design support for on-line courses UW institutions develop. This is an interactive system that allows participants to review information and then tests their knowledge. It has an optional sound function that reads written material to participants. The program tracks completion and provides an opportunity for the participant to evaluate the quality of the training.

UW institutional staff we interviewed generally believed that UW System's on-line training could potentially help UW institutions maximize scarce resources and meet training requirements; however, the training may need some improvements before it is a cost-effective option. Between January 2001, when the program was launched, and February 2003, the hazard communication course had enrolled 520 employees; yet only approximately 100 participants, most of them from one institution, had completed the program. UW System staff believe that the ability to interrupt the program and complete it at a later date may contribute to the low completion rate. Some occupational health and safety staff suggested that establishing deadlines for completing a course could increase the completion rate. Another suggestion from institutional staff was to develop the capability to administer on-line training in a central location, such as providing workstations in a monitored training room, which would allow staff to supervise participation and provide assistance. This oversight could help improve completion rates, as well as provide participants with the opportunity to ask questions.

UW System's hazardous communication on-line training has not been extensively used.

The on-line training program cost $89,705 to establish, including $14,880 for two on-line training servers and $74,825 to develop the system. The program originally cost an additional $22,900 each year, including $7,900 for server hosting and maintenance by UW-Madison's Division of Information Technology (DoIT) and a $15,000 license fee that allowed up to 5,000

users to access the system. In 2003 UW System negotiated a contract with a new vendor, Desire2Learn, to provide on-line training services for UW System. The new license allows UW System to incorporate the cost of employee training into the cost of providing on-line classes for students, eliminating the $15,000 license fee. Since UW System staff are providing server hosting and maintenance services for this new software, this new agreement also eliminates the $7,900 annual fee to DoIT.

We identified several other options that could allow institutions to develop cost-effective computer-based training:

- *Existing software*: Safety training staff at the University of Iowa developed an extensive number of on-line programs using existing software, such as Microsoft PowerPoint and Pagemaker. They reported that the only cost for developing the programs was the staff time required to create them. The University of Vermont also publishes a webpage of safety training resources, including safety graphics and an extensive list of PowerPoint presentations prepared by peer institutions.

Our review identified cost-effective methods for offering on-line health and safety training.

- *Links to other training*: Some institutions in our review provided links to on-line training provided by other organizations, such as www.free-training.com, which provides free on-line training for hazard communication, personal protection equipment, back safety, forklift safety and hearing conservation. In Wisconsin, the Department of Administration also provides free on-line training for ergonomics that employees of Wisconsin agencies may use.

- *CD-ROMs*: Computer-based occupational health and safety training programs provided on CD-ROMs provide a training format similar to on-line training. The programs provide interactive quizzes, and employees may complete them as their schedules allow. While companies develop most CD-ROM programs for private industry, it appears that topics and content are often similar to the information provided for university-based training programs. Follow-up training to customize the information to specific worksites could further enhance the effectiveness of this approach. Some CD-ROMs cost as little as $20.

Staff noted several advantages to on-line and other computer-based training. While classroom training has to be scheduled, on-line training is flexible, allowing employees to complete training at a convenient time and at their own pace. Also, employees may complete it soon after they are hired, thus helping institutions meet requirements to provide initial training. Outside experts often develop on-line training, providing access to training on topics that institutional staff may not be qualified to develop. Finally, staff noted that it is possible to update on-line training to meet changing needs and requirements.

Despite these advantages, most of the UW occupational health and safety staff we interviewed did not believe that on-line training could replace formal, classroom training. They noted that employees have varying levels of skill with computers and reading levels that could make it difficult for some staff to complete on-line training. One staff person believed that the online training developed by UW System may be too sophisticated for the average user. Health and

safety staff also report that not all employees may have access to computers. Some also were concerned about the potential for cheating, noting that it might be easy for participants to print questions and answers and share the information with other workers. Finally, some staff indicated that on-line training does not provide the level of interaction that they believe is essential for effective learning. While participants may e-mail questions or follow up with a supervisor or trainer, on-line training provides a limited capability to provide an immediate response to questions.

TRAINING ADMINISTRATION

UW occupational health and safety staff report that few resources are devoted specifically to health and safety training. Developing and providing training is only one of many responsibilities of occupational health and safety staff. Most institutions have only one staff person assigned to perform a range of risk management, environmental health, workers' compensation and occupational safety responsibilities. Given the large number of training requirements and the level of available staffing, alternative approaches are required to meet training requirements. We explored approaches that could improve compliance with health and safety training regulations, given these limited resources, including tracking and documenting training, coordinating training on a systemwide basis, and promoting a safety culture.

Tracking and Documenting Training

Occupational health and safety staff indicated that identifying employees who are required to receive training can sometimes be difficult. The UW institutions employ full-time and part-time faculty and academic staff, students, and limited-term employees (LTEs) in various departments, schools, colleges, and administrative offices. Safety staff identified student employees, LTEs, summer employees, and some faculty as the least likely groups to receive required training. Many OSHA regulations require that employees receive training within a few days of hire, but staff reported that it is often difficult to identify new hires. For example, at one UW institution, staff reported that while information about new classified staff was readily available, the human resources department could not provide information identifying new faculty and academic staff. Other regulations require staff to receive periodic refresher training that can be difficult to track.

Targeting Training

OSHA guidelines suggest that targeting certain high-risk groups, such as new employees and employees working in high-risk jobs, is one way to maximize training resources. Staff described several approaches that they use to try to target and track training needs:

UW institutions have adopted methods for ensuring new employees receive required training and for documenting the training.

- *Systematic training*: Methods for ensuring appropriate staff are targeted for training in a timely manner include: providing information about occupational health and safety training to new employees as part of new employee

orientations and handbooks; targeting groups of employees, such as custodial staff or facilities workers, and providing all required training to the employees as a group; and providing training building by building, to various groups working in each building. Some suggested that rather than try to comply with all training regulations, institutions could maximize resources by targeting training to those topics that address the greatest risks to which employees are exposed.

- *Checklists*: Occupational health and safety staff at UW-Green Bay developed a checklist to help supervisors identify the appropriate training for their employees. Supervisors are required to complete the checklist for each new employee. The checklist includes 14 types of training, a brief description of those employees who are required to take each type of training, and contact persons for arranging for the training. Once an employee completes the training, the trainer and employee sign the form. At least one other UW institution uses UW-Green Bay's checklist; we found that institutions in other states, such as Florida State University, have developed similar checklists. UW-Green Bay staff continue to consider improvements to the checklist process.

Staff also reported that the most successful efforts to provide timely training were those for which there is a mechanism for assuring that employees complete training before beginning work assignments. For example, employees who work with radioactive materials may not begin work until they receive a dosimeter, an instrument used to measure radiation. One campus requires employees to complete radiation training before they may receive a dosimeter and begin their work duties. Also, some institution staff noted that additional training goals are identified during annual employee performance reviews.

Documenting Training Delivery

According to OSHA guidelines, proper documentation of training activities can "provide evidence of the employer's good faith and compliance with OSHA standards." This is important for resolving workers' compensation claims and for passing health and safety inspections. We found that the institutions in our review used a variety of approaches for documenting health and safety training provided on campus. For example:

- *Central records*: In many cases, institutions keep a central record of all employees completing formal training provided by the institution's safety staff. In these cases, the safety staffs typically maintain a database or spreadsheet that lists the employees' names, training date, type of training and the employing department.

- *Supervisor documentation*: At institutions with a large number of employees, supervisors may be in the best position to document training, including informal, on-the-job training. At the same time, relying on supervisors to maintain training records may result in inconsistent documentation approaches. For example, in one workers' compensation case described by staff, the hearing officer decided the case against the institution, in part because a supervisor could not produce training records to demonstrate that he had provided informal instruction to the employee about the use of equipment. When institutions delegate documentation

responsibilities to departments, periodic reviews of departmental training files to verify that supervisors are maintaining training records could help assure compliance.

- *Computer program*: Michigan State University (MSU) has established an interactive computer program consisting of a series of databases and a master record for each employee. The master record is created when a new employee is hired and is updated when an employee takes a health and safety class. Each employee can view the courses they've taken in the past and, if applicable, when they are required to take a refresher course. Also, supervisors can view the training records of those they supervise. According to safety staff at MSU, one of the most effective aspects of the system is that the computer automatically notifies workers by e-mail when their annual refresher date is approaching. If the employee fails to complete the course, the system sends another e-mail notifying the employee and the employee's supervisor. According to MSU staff, the e-mail system has dramatically improved compliance. Staff reported that the program was developed in-house and the cost was nominal.

Tracking participation to assure that employees receive required training in a timely manner is critical for safeguarding employees and for assuring compliance with state and federal regulations. Proper documentation of that training is also necessary to protect the interests of UW institutions in the event that employees file workers' compensation claims. ***We recommend that each UW institution assure: 1) that it has procedures in place to identify and refer employees to required training, and 2) that it is properly documenting all training.***

Systemwide Coordination

Although staff indicated that they regularly share information with other UW institutions, we found that the institutions in our review developed most of their own training materials, typically duplicating the efforts of other institutions. At the same time, several staff noted that institutions provide limited resources for training. The topics offered at each institution seemed to be dependent on the skills and available time of the safety staff at the institution. While some customization may be necessary to assure that training addresses the specific needs of the institution or a worksite, health and safety training regulations are common to all workplaces. Efforts to share and coordinate information among UW institutions could prevent duplication of effort, stretch limited resources and allow institutions to offer a broader range of training.

UW System Administration's 1994 health and safety program identified a coordination role for the UW System Office of Safety and Loss Prevention. According to the plan, the office would develop training aids and instructional materials, plan and sponsor systemwide conferences for occupational health and safety staff, and provide training to campus staff on a variety of topics.

UW institution staff reported that they appreciated UW System Administration's efforts to provide resources that institutions may modify and adapt to institutional needs. UW occupational health and safety staff at several institutions identified the annual safety conference as an important forum for sharing safety information. These staff also identified resources UW

UW System health and safety resources have been useful to UW institution staff.

System Administration provided that they found useful. These included templates that provide an outline to help institutional staff establish policies and training materials, subscriptions to services such as "*SafetySmart!*," and a CD-ROM that UW System recently developed that included training examples from UW institutions. Institutional administrators and staff also indicated that they would like UW System staff to visit campuses more often; to establish a system for sharing trainer services; to offer more train-the-trainer opportunities; and to convene a work group of campus representatives to coordinate the development of lists of regulations and training needs and share training materials.

During our review, we found an innovative approach for coordinating occupational health and safety training services among multiple institutions that could serve as a model for UW System training efforts. In 1994 the Oklahoma State Regents for Higher Education, with assistance from the University of Oklahoma and the State Regents Council of Business Managers, established the systemwide State Regents Training Center for Occupational Safety and Health and Environmental Compliance. The establishment of the center, with 24 public higher education institutions as members, recognizes that many federal, state and local health and safety compliance issues are common to all institutions throughout the state. An advisory board that includes a representative from each institution in the consortium oversees the center, which has an annual operating budget of $55,000 to cover the cost of staff, travel and supplies.

Oklahoma higher education institutions established a center for occupational safety compliance.

The Center provides technical and consultative services; plans and promotes safe and environmentally sound workplaces within Oklahoma's higher education system; and assists with jobsite analyses to identify and eliminate workplace hazards. Member institutions continue to do most of their own training, but the center provides on-line information to assist with that training. A full-time coordinator staffs the center and does training as time allows. The center is developing web-based training and also sponsors statewide seminars and workshops three to four times per year.

Some UW institutions also have found that establishing a formal consortium is a practical way to maximize scarce resources. UW-Stout, Eau Claire and River Falls share the services of a full-time environmental health and safety specialist. The specialist provides assistance and training services at each institution, as needed. ***To respond to institutional health and safety training needs and maximize scarce resources, we recommend that UW System Administration establish a formal consortium or consortia to develop training resources.*** Several health and safety managers indicated their support for this concept, although some expressed concern about how this effort would be funded, noting that institutions have limited resources for training. One health and safety manager suggested that a cost-effective approach for beginning this process could be to establish a systemwide task force to do tasks such as sharing, choosing and editing PowerPoint presentations, developing short test questions and designing health and safety training resources for human resources departments.

Promoting a Safety Culture

OSHA guidelines discuss the importance of developing a safety culture as part of a successful safety program and note that training is a critical component of a safety management system. In organizations with a strong safety culture, managers and employees alike feel responsible for assuring safe practices in the workplace. Safety practices exceed minimum compliance with health and safety regulations. Employees are accountable for using safe practices and feel responsible for their co-workers' safety. Management, including top administrators, actively and visibly supports a safe workplace, provides the necessary resources to manage workplace hazards, and trains employees. Organizational policies and procedures reinforce workplace safety. Performance measures are used to monitor safety, identify training needs, improve safety practices and hold managers and employees accountable for safety.

A safety culture includes exceeding minimum safety requirements and being accountable for using safe practices.

During our review, occupational health and safety staff indicated that supervisors are not always cooperative with efforts to assure that employees receive appropriate training. They indicated that some supervisors have resisted the training because they believed they could not spare the staff time for training. Also, health and safety staff reported that some academic departments and individual faculty do not participate in required training because they do not believe they need the training. At two institutions, staff described instances in which departments resisted professional safety staff's efforts to review training materials to assure that appropriate topics are covered. Also, some safety staff believe that some managers perceive safety as solely the responsibility of the safety office. However, they note that safety managers do not have the authority to require employees to attend training. Some safety staff also reported that it is essential for an effective safety training program to have active support from top administration. Safety staff indicated that employees, supervisors, and administrators, along with professional safety staff, all have a role to play in creating a safe workplace and meeting training regulations.

Safety experts recognize that supervisors play a central role in assuring a safe workplace. For example, during our review, safety staff reported that supervisors are in the best position to know when an employee begins a new job or is assigned new responsibilities that may require training. Supervisors also may be in a good position to assess the risks associated with a specific worksite and to recommend training for staff as necessary to correct deficiencies in skills that affect worker safety. Supervisors typically maintain personnel records that may be used to document training. Safety staff noted that, even if centralized training is provided, supervisors often must do additional training to address hazards specific to the job site.

Health and safety training for new supervisors can help highlight the importance of these functions. For example, the Wisconsin Department of Administration routinely offers health and safety training for supervisors in state agencies. The training includes an overview of property and liability issues, workers' compensation issues, and methods for preventing injuries. Health and safety training is not currently required for UW supervisors. Training that provides supervisors with information about state and federal health and safety training regulations, as

well as about how to conduct and reinforce training, could improve compliance. Attendance at such training could be made part of supervisors' annual performance expectations.

Efforts to establish written health and safety performance and accountability standards for supervisors also could promote a safe workplace. UW System's 1994 health and safety plan advocates incorporating safety responsibilities into the position descriptions of UW supervisors. The UW System human resources office issued a memo to UW personnel directors at the time the plan was issued, outlining language that institutions could voluntarily use to establish written standards for UW supervisors. One of the suggested standards was that supervisors endeavor to provide health and safety instruction for employees and students. Holding supervisors formally accountable for providing required health and safety training to employees could also promote a stronger safety culture. ***We recommend that UW institutions identify approaches to promote a safety culture that seeks to exceed minimum standards outlined in health and safety regulations by: 1) promoting employee involvement in health and safety activities; and 2) developing supervisor accountability systems that promote workplace safety.***

Once a safety program is fully established, evaluation efforts may help institutions improve existing training, identify and develop new programs to meet health and safety needs, and identify the most effective approaches for delivering training. OSHA guidelines suggest that organizations evaluate the effectiveness of training, including analyzing participants' opinions of the training, supervisors' observations about whether employee behavior reflects information from training, and data on accident or injury rates.

CONCLUSION

Effective health and safety training may reduce accidents and injuries on the job, minimizing the pain and costs associated with these incidents. We found that institutions use a variety of approaches to provide formal health and safety training. Classroom training was described as the most effective method for providing training, although other methods, such as direct training by supervisors, training videos, and on-line training, were cited as useful approaches, particularly when it is necessary to accommodate flexible schedules.

Given the extensive number of training requirements, occupational health and safety staff reported that it can be difficult to identify all employees who are required to receive training; student employees, limited-term employees, summer employees and some faculty were the least likely to be properly trained. Since all UW institutions must comply with the same regulations, improved coordination and efforts to share resources throughout UW System could enhance compliance. Occupational health and safety staff indicated that stronger accountability systems for assuring compliance and a commitment to safety by all levels of management also could improve compliance and reduce injuries and illnesses.

We have offered several recommendations to improve compliance with health and safety requirements that may also reduce occupational injuries and illnesses. We have recommended that UW institutions:

- review occupational health and safety training regulations to identify training needs and develop a plan to prioritize and meet training requirements;

- assure that they have appropriate procedures in place to identify and refer employees to required training;

- assure that they are properly documenting all training; and

- identify approaches to promote a safety culture that exceeds minimum standards outlined in health and safety regulations by promoting employee involvement in health and safety activities and developing supervisory accountability systems that promote workplace safety.

In addition, we have recommended that UW System Administration establish a formal consortium or consortia for developing and delivering safety training.

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UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2004-2005 - Third Quarter

FISCAL YEAR 2004-2005	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
Total	64,193,247	47,415,328	768,656	63,664,028	17,424,740	579,438,273	100,309,072	873,213,344
Federal	33,243,107	34,391,660	417,003	14,531,390	3,717,260	431,509,756	83,778,372	601,588,548
Nonfederal	30,950,140	13,023,668	351,653	49,132,638	13,707,480	147,928,517	16,530,700	271,624,796
FISCAL YEAR 2003-2004								
Total	53,168,851	58,114,719	2,063,347	77,965,246	20,670,665	578,323,912	95,766,558	886,073,298
Federal	25,581,280	41,386,285	315,271	11,724,919	7,032,400	426,069,259	79,181,510	591,290,924
Nonfederal	27,587,571	16,728,434	1,748,076	66,240,327	13,638,265	152,254,653	16,585,048	294,782,374
INCREASE(DECREASE)								
Total	11,024,396	(10,699,391)	(1,294,691)	(14,301,218)	(3,245,925)	1,114,361	4,542,514	(12,859,954)
Federal	7,661,827	(6,994,625)	101,732	2,806,471	(3,315,140)	5,440,497	4,596,862	10,297,624
Nonfederal	3,362,569	(3,704,766)	(1,396,423)	(17,107,689)	69,215	(4,326,137)	(54,349)	(23,157,578)

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FISCAL YEAR 2004-2005	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
Madison	17,770,040	27,254,660	690,106	50,001,791	17,334,242	553,580,373	27,382,489	694,013,701
Milwaukee	4,680,323	6,036,794	71,500	2,530,248	0	17,752,989	13,561,169	44,633,024
Eau Claire	149,229	1,556,097	0	0	0	787,851	6,615,128	9,108,305
Green Bay	11,589	3,637,801	0	322,033	74,258	884,594	3,734,067	8,664,342
La Crosse	938,978	106,880	0	520,354	0	3,113,978	4,933,027	9,613,217
Oshkosh	4,235,929	5,238,351	0	0	0	1,279,210	4,081,631	14,835,121
Parkside	425,352	649,389	0	104,620	0	288,350	4,168,229	5,635,940
Platteville	601,678	(1,190)	5,000	439,066	0	216,785	4,576,013	5,837,352
River Falls	489,067	291,468	0	1,566,964	0	21,132	4,218,399	6,587,030
Stevens Point	6,610,079	1,063,028	0	365,481	0	778,937	4,705,128	13,522,653
Stout	3,157,739	144,381	0	2,346,752	8,830	272,624	6,285,879	12,216,205
Superior	60,365	10,000	0	741,329	0	238,773	1,580,996	2,631,463
Whitewater	290,953	109,942	0	2,951,608	7,410	221,336	6,632,259	10,213,508
Colleges	16,463	15,080	2,050	745,090	0	1,341	7,834,657	8,614,681
Extension	24,755,462	0	0	0	0	0	0	24,755,462
System-Wide	0	1,302,646	0	1,028,691	0	0	0	2,331,337
Totals	**64,193,247**	**47,415,328**	**768,656**	**63,664,028**	**17,424,740**	**579,438,273**	**100,309,072**	**873,213,344**
Madison	10,504,768	16,134,687	417,003	6,507,159	3,717,260	411,712,060	12,785,902	461,778,839
Milwaukee	2,124,527	5,785,155	0	278,415	0	14,228,191	13,203,870	35,620,158
Eau Claire	8,705	1,514,958	0	0	0	664,790	6,615,128	8,803,581
Green Bay	0	3,471,806	0	0	0	852,489	3,691,800	8,016,095
La Crosse	820,796	106,880	0	54,386	0	1,764,830	4,933,027	7,679,919
Oshkosh	3,435,321	4,995,051	0	0	0	1,037,755	4,081,631	13,549,758
Parkside	465,602	471,141	0	0	0	250,403	4,078,372	5,265,518
Platteville	497,777	0	0	303,366	0	56,822	4,576,013	5,433,978
River Falls	476,171	237,246	0	1,067,650	0	0	4,202,599	5,983,666
Stevens Point	4,468,695	227,684	0	263,868	0	376,930	4,705,128	10,042,305
Stout	2,794,123	59,406	0	1,621,112	0	261,000	5,881,769	10,617,410
Superior	60,365	0	0	741,329	0	120,783	1,580,996	2,503,473
Whitewater	236,513	85,000	0	2,578,699	0	183,703	6,060,986	9,144,901
Colleges	5,193	0	0	257,514	0	0	7,381,152	7,643,859
Extension	7,344,550	0	0	0	0	0	0	7,344,550
System-Wide	0	1,302,646	0	857,892	0	0	0	2,160,538
Federal Totals	**33,243,107**	**34,391,660**	**417,003**	**14,531,390**	**3,717,260**	**431,509,756**	**83,778,372**	**601,588,548**
Madison	7,265,272	11,119,973	273,103	43,494,632	13,616,982	141,868,313	14,596,587	232,234,862
Milwaukee	2,555,796	251,639	71,500	2,251,833	0	3,524,798	357,299	9,012,866
Eau Claire	140,524	41,139	0	0	0	123,061	0	304,724
Green Bay	11,589	165,995	0	322,033	74,258	32,105	42,267	648,247
La Crosse	118,182	0	0	465,968	0	1,349,148	0	1,933,298
Oshkosh	800,608	243,300	0	0	0	241,455	0	1,285,363
Parkside	(40,250)	178,248	0	104,620	0	37,947	89,857	370,422
Platteville	103,901	(1,190)	5,000	135,700	0	159,963	0	403,374
River Falls	12,896	54,222	0	499,314	0	21,132	15,800	603,364
Stevens Point	2,141,384	835,344	0	101,613	0	402,007	0	3,480,348
Stout	363,616	84,975	0	725,640	8,830	11,624	404,111	1,598,796
Superior	0	10,000	0	0	0	117,990	0	127,990
Whitewater	54,440	24,942	0	372,909	7,410	37,633	571,273	1,068,607
Colleges	11,270	15,080	2,050	487,576	0	1,341	453,505	970,822
Extension	17,410,912	0	0	0	0	0	0	17,410,912
System-Wide	0	0	0	170,799	0	0	0	170,799
Nonfederal Totals	**30,950,140**	**13,023,668**	**351,653**	**49,132,638**	**13,707,480**	**147,928,517**	**16,530,700**	**271,624,796**

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FISCAL YEAR 2004-2005 - Third Quarter

	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
FISCAL YEAR 2003-2004								
Madison	12,711,461	31,409,977	1,907,863	64,605,212	20,582,860	550,158,951	23,367,899	704,744,223
Milwaukee	2,263,274	10,354,576	140,927	2,396,563	0	17,159,239	14,015,018	46,329,597
Eau Claire	471,487	1,574,051	0	0	0	1,187,004	7,049,915	10,282,457
Green Bay	0	2,680,208	4,200	340,355	55,000	3,215,658	1,647,487	7,942,908
La Crosse	1,273,691	559,174	5,357	1,140,001	0	2,588,180	4,915,931	10,482,334
Oshkosh	1,761,070	6,470,421	5,000	0	0	1,557,240	3,863,497	13,657,228
Parkside	691,716	1,415,376	0	104,545	0	241,044	3,924,689	6,377,370
Platteville	83,123	121,875	0	217,472	0	12,138	4,563,924	4,998,532
River Falls	350,063	153,387	0	1,110,715	0	181,132	2,567,297	4,362,594
Stevens Point	5,351,583	582,674	0	860,065	0	1,033,306	7,494,864	15,322,492
Stout	3,086,398	213,514	0	1,074,071	32,400	93,015	5,816,738	10,316,136
Superior	62,286	0	0	725,241	0	433,173	361,000	1,581,700
Whitewater	347,863	91,870	0	3,049,818	405	302,459	6,285,176	10,077,591
Colleges	9,942	626,135	0	191,885	0	111,373	9,893,124	10,832,459
Extension	24,704,894	0	0	1,189,417	0	0	0	25,894,311
System-Wide	0	1,861,481	0	959,886	0	50,000	0	2,871,367
Totals	**53,168,851**	**58,114,719**	**2,063,347**	**77,965,246**	**20,670,665**	**578,323,912**	**95,766,558**	**886,073,298**
Madison	8,255,188	16,622,415	200,000	4,824,650	7,000,000	403,379,564	12,447,925	452,729,742
Milwaukee	1,263,539	9,884,121	4,927	328,089	0	14,090,610	13,818,170	39,389,456
Eau Claire	461,804	1,533,487	0	0	0	985,953	7,049,915	10,031,159
Green Bay	0	2,592,793	0	1,000	0	2,812,657	1,524,428	6,930,878
La Crosse	993,188	557,034	5,357	823,619	0	2,098,724	4,914,531	9,392,453
Oshkosh	1,526,235	6,038,196	5,000	0	0	949,740	3,863,497	12,382,668
Parkside	594,340	1,298,452	0	0	0	236,379	3,763,725	5,892,896
Platteville	296,706	0	99,987	0	0	0	2,637,725	3,034,418
River Falls	305,369	99,117	0	673,821	0	138,560	2,496,720	3,713,587
Stevens Point	3,570,204	260,027	0	760,618	0	509,756	7,494,864	12,595,469
Stout	2,584,646	28,031	0	884,845	32,400	63,627	5,816,738	9,410,287
Superior	35,056	0	0	725,241	0	387,603	361,000	1,508,900
Whitewater	192,011	0	0	2,493,914	0	266,713	5,746,194	8,698,832
Colleges	4,874	611,131	0	10,329	0	99,373	7,246,078	7,971,785
Extension	5,498,121	0	0	0	0	0	0	5,498,121
System-Wide	0	1,861,481	0	198,793	0	50,000	0	2,110,274
Federal Totals	**25,581,280**	**41,386,285**	**315,271**	**11,724,919**	**7,032,400**	**426,069,259**	**79,181,510**	**591,290,924**
Madison	4,456,273	14,787,562	1,707,863	59,780,562	13,582,860	146,779,387	10,919,974	252,014,481
Milwaukee	999,736	470,455	136,000	2,068,474	0	3,068,629	196,848	6,940,142
Eau Claire	9,683	40,564	0	0	0	201,051	0	251,298
Green Bay	0	87,415	4,200	339,355	55,000	403,001	123,059	1,012,031
La Crosse	280,503	2,140	0	316,382	0	489,456	1,400	1,089,881
Oshkosh	234,835	432,225	0	0	0	607,500	0	1,274,560
Parkside	97,376	116,924	0	104,545	0	4,665	160,964	484,474
Platteville	(213,583)	121,875	(99,987)	217,472	0	12,138	1,926,199	1,964,114
River Falls	44,694	54,270	0	436,894	0	42,572	70,577	649,007
Stevens Point	1,781,379	322,647	0	99,447	0	523,550	0	2,727,023
Stout	501,753	185,483	0	189,226	0	29,388	0	905,849
Superior	27,230	0	0	0	0	45,570	0	72,800
Whitewater	155,852	91,870	0	555,904	405	35,746	538,982	1,378,758
Colleges	5,068	15,004	0	181,556	0	12,000	2,647,046	2,860,674
Extension	19,206,773	0	0	1,189,417	0	0	0	20,396,190
System-Wide	0	0	0	761,093	0	0	0	761,093
Nonfederal Totals	**27,587,571**	**16,728,434**	**1,748,076**	**66,240,327**	**13,638,265**	**152,254,653**	**16,585,048**	**294,782,374**

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2004-2005 - Third Quarter

INCREASE (DECREASE)	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
Madison	5,058,579	(4,155,317)	(1,217,757)	(14,603,421)	(3,248,618)	3,421,422	4,014,590	(10,730,522)
Milwaukee	2,417,049	(4,317,782)	(69,427)	133,685	0	593,751	(453,848)	(1,696,573)
Eau Claire	(322,258)	(17,954)	0	0	0	(399,153)	(434,787)	(1,174,152)
Green Bay	11,589	957,593	(4,200)	(18,322)	19,258	(2,331,064)	2,086,580	721,434
La Crosse	(334,713)	(452,294)	(5,357)	(619,647)	0	525,798	17,096	(869,117)
Oshkosh	2,474,859	(1,232,070)	(5,000)	0	0	(278,030)	218,134	1,177,893
Parkside	(266,364)	(765,987)	0	75	0	47,306	243,540	(741,430)
Platteville	518,555	(123,065)	5,000	221,594	0	204,647	12,089	838,820
River Falls	139,004	138,081	0	456,249	0	(160,000)	1,651,102	2,224,436
Stevens Point	1,258,496	480,354	0	(494,584)	0	(254,369)	(2,789,736)	(1,799,839)
Stout	71,341	(69,133)	0	1,272,681	(23,570)	179,609	469,142	1,900,069
Superior	(1,921)	10,000	0	16,088	0	(194,400)	1,219,996	1,049,763
Whitewater	(56,909)	18,072	0	(98,210)	7,005	(81,124)	347,084	135,918
Colleges	6,521	(611,055)	2,050	553,205	0	(110,032)	(2,058,467)	(2,217,778)
Extension	50,568	0	0	(1,189,417)	0	0	0	(1,138,849)
System-Wide	0	(558,835)	0	68,806	0	(50,000)	0	(540,029)
Totals	**11,024,395**	**(10,699,392)**	**(1,294,691)**	**(14,301,218)**	**(3,245,925)**	**1,114,361**	**4,542,514**	**(12,859,954)**
Madison	2,249,580	(487,728)	217,003	1,682,509	(3,282,740)	8,332,496	337,977	9,049,097
Milwaukee	860,988	(4,098,966)	(4,927)	(49,674)	0	137,581	(614,300)	(3,769,298)
Eau Claire	(453,099)	(18,529)	0	0	0	(321,163)	(434,787)	(1,227,578)
Green Bay	0	879,013	0	(1,000)	0	(1,960,168)	2,167,371	1,085,216
La Crosse	(172,392)	(450,154)	(5,357)	(769,233)	0	(333,894)	18,496	(1,712,534)
Oshkosh	1,909,086	(1,043,145)	(5,000)	0	0	88,015	218,134	1,167,090
Parkside	(128,738)	(827,311)	0	0	0	14,024	314,647	(627,378)
Platteville	201,071	0	(99,987)	303,366	0	56,822	1,938,288	2,399,560
River Falls	170,802	138,129	0	393,829	0	(138,560)	1,705,879	2,270,079
Stevens Point	898,491	(32,343)	0	(496,750)	0	(132,826)	(2,789,736)	(2,553,164)
Stout	209,477	31,375	0	736,267	(32,400)	197,373	65,031	1,207,123
Superior	25,309	0	0	16,088	0	(266,820)	1,219,996	994,573
Whitewater	44,502	85,000	0	84,785	0	(83,010)	314,792	446,069
Colleges	319	(611,131)	0	247,185	0	(99,373)	135,074	(327,926)
Extension	1,846,429	0	0	0	0	0	0	1,846,429
System-Wide	0	(558,835)	0	659,099	0	(50,000)	0	50,264
Federal Totals	**7,661,827**	**(6,994,625)**	**101,732**	**2,806,471**	**(3,315,140)**	**5,440,497**	**4,596,862**	**10,297,624**
Madison	2,808,999	(3,667,589)	(1,434,760)	(16,285,930)	34,122	(4,911,074)	3,676,613	(19,779,619)
Milwaukee	1,556,061	(218,816)	(64,500)	183,359	0	456,169	160,452	2,072,724
Eau Claire	130,841	575	0	0	0	(77,990)	0	53,426
Green Bay	11,589	78,580	(4,200)	(17,322)	19,258	(370,896)	(80,792)	(363,783)
La Crosse	(162,321)	(2,140)	0	149,586	0	859,692	(1,400)	843,417
Oshkosh	565,773	(188,925)	0	0	0	(366,045)	0	10,803
Parkside	(137,626)	61,324	0	75	0	33,282	(71,107)	(114,052)
Platteville	317,484	(123,065)	104,987	(81,772)	0	147,825	(1,926,199)	(1,560,740)
River Falls	(31,798)	(48)	0	62,420	0	(21,440)	(54,777)	(45,643)
Stevens Point	360,005	512,697	0	2,166	0	(121,543)	0	753,325
Stout	(138,137)	(100,508)	0	536,414	8,830	(17,764)	404,111	692,946
Superior	(27,230)	10,000	0	0	0	72,420	0	55,190
Whitewater	(101,412)	(66,928)	0	(182,995)	7,005	1,886	32,292	(310,151)
Colleges	6,202	76	2,050	306,020	0	(10,659)	(2,193,541)	(1,889,852)
Extension	(1,795,861)	0	0	(1,189,417)	0	0	0	(2,985,278)
System-Wide	0	0	0	(590,293)	0	0	0	(590,293)
Nonfederal Totals	**3,362,569**	**(3,704,766)**	**(1,396,423)**	**(17,107,689)**	**69,215**	**(4,326,137)**	**(54,349)**	**(23,157,578)**

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

REVISED

I.3. Physical Planning and Funding Committee

Thursday, May 5, 2005
Memorial Student Center
University of Wisconsin-Stout

9:30 a.m. UW-Stout Campus Tour

9:30 a.m. Student Art Exhibition – Micheels Hall

11:00 a.m. Luncheon – Memorial Student Center

- UW-Stout and Area Business Partnerships Showcase

1:00 p.m. Physical Planning and Funding Committee Meeting - Northwoods Room

a. Approval of the Minutes of the April 7, 2005 Meeting

b. UW-Stout Presentation: Technological Change Through Time "The Fantastic Voyage"

c. UW-Madison: Renaming of the Social Science Building the "William H. Sewell Social Science Building"
[Resolution I.3.c.]

d. UW-Platteville: Acquisition of Two Properties at 300 West Business Highway 151 and 825 South Chestnut Street in the City of Platteville, Wisconsin
[Resolution I.3.d.]

e. Report of the Assistant Vice President

- Building Commission Actions
- Minority Business Enterprise Report
- Other

x. Additional items that may be presented to the Committee with its approval

z. Closed session as permitted by s.19.85(1)(e) and (f) *Wis. Stats.*; for competitive and bargaining reasons and to consider personal histories, related to the naming of facilities at UW-Madison

Authority to Rename the Social Science Building the "William H. Sewell Social Science Building", UW-Madison

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to rename the Social Science Building the "William H. Sewell Social Science Building."

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
May 2005

1. Institution: The University of Wisconsin–Madison

2. Request: Requests authority to rename the Social Science Building, located at 1180 Observatory Drive, the "William H. Sewell Social Science Building" in honor of the former UW-Madison chancellor and former chair of the Department of Sociology.

   The naming was proposed by the Department of Sociology, joined by the Departments of Anthropology, Economics, History of Science, Industrial Relations Research Institute, Institute for Research on Poverty, LaFollette Institute on Public Policy, and Science and Technology Studies. This request has been reviewed by the dean of the College of Letters and Science, the provost, and the chancellor, and has been approved at the campus level.

3. Justification: This request is in accordance with the University of Wisconsin System Board of Regents policy 96-1 which requires that every request to name a facility after a person be brought to the Physical Planning and Funding Committee for discussion in closed session at least one month before requesting formal Regents action. A proposal to name the Social Science Building after William H. Sewell was discussed in closed session by the Board of Regents in March 2002.

4. Biographical Information: William H. Sewell passed away on June 24, 2001, having been a member of the UW-Madison scholarly community for 55 years. He earned his bachelor's and master's degrees at Michigan State University, and his Ph.D. from the University of Minnesota. He served as a lieutenant in the U.S. Naval Reserves from 1944 until he joined the UW-Madison faculty in 1946.

   Throughout his career, Professor Sewell made unparalleled contributions to building the social sciences program at the University of Wisconsin. He was a Vilas Research professor from 1964 until his retirement in 1980, and he continued to play an active role in research for over 20 years beyond his retirement. His university leadership included a role in securing access to WARF funding for social science research. He served as chair of Rural Sociology (1949-53) and Sociology (1958-62). Later he served as chair of the University Committee and in 1967 to 1968 he served as chancellor of the University of Wisconsin-Madison.

   At the national level, Professor Sewell played a key role in creating support for the social and behavioral sciences in the National Institutes of Health and other federal agencies. He chaired the National Commission on Research (1978-80) and was president of the Sociological Research Association (1953-54), the Rural Sociological Society (1955-56), and the American Sociological Association (1970-71). He was elected to the American

Philosophical Society, the American Academy of Arts and Sciences, and the National Academy of Sciences.

No one played a greater role in putting Wisconsin on the map for quantitative social sciences. Among his many scientific accomplishments, perhaps the crowning achievement was to found and sustain the Wisconsin Longitudinal Study (WLS) – the study of Wisconsin's high school "Class of '57." The WLS paved the way for national long-term population surveys, and research on the long-term consequences of cognitive skills and aspirations in adolescence and their key role in carrying the effects of social and economic origins. Professor Sewell's involvement with the WLS continued almost until the day he died. His contributions to the State of Wisconsin are evident throughout his works, from his early studies of the socioeconomics of rural America to the WLS. He was committed to doing work that made a difference – work that could be used for policy purposes – which required serious attention to methodological issues and empirical assessment.

Renaming the Social Sciences Building after William H. Sewell would do more than honor his memory. It would be a permanent symbol of the leadership that makes the University of Wisconsin-Madison one of the nation's great institutions of higher education. Professor Sewell's legacy can be summed up in three words: decency, excellence, and diversity. He was a staunch supporter of women and minority faculty members and graduate students at the University. He has been recognized as "an articulate and forceful spokesman" for the Minority Fellowships Program of the American Sociological Association, which he helped to found during his presidency of that organization. Professor Sewell led by example, with his high standards of scientific excellence and, above all, with decency, that is, respect for the views of his colleagues.

Professor Sewell's widow, Elizabeth, died in 2004. Remaining family members include a daughter, Mary Sewell Cooper and two sons, Bill Sewell, Jr. (B.A. 1962) and Robert Sewell (B.S. 1964). In recognition of this remarkable career and life-long commitment to the UW-Madison, we request that the Social Science Building at 1180 Observatory Drive be named the William H. Sewell Social Science Building.

Previous Action:

March 2002 This proposed naming was discussed in closed session by the Board of Regents in March 2002.

Acquisition of Two Properties in the City of Platteville, 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 to: (1) purchase approximately six acres of property in the city of Platteville, Wisconsin, including improvements consisting of a hotel and banquet facility and an adjacent retail building, at a cost of $2,510,000 Program Revenue Supported Borrowing; (2) pay for any necessary environmental abatement with program revenue funds-housing; and (3) extend the campus boundary to include this non-contiguous parcel (map attached). Closing and related costs are unknown, but will be paid from program revenue funds-housing.

Acquisition is contingent upon: (1) receipt of two acceptable appraisals indicating the estimated purchase value of $2,510,000 is equal to or less than the average of the two appraised values; (2) an environmental assessment indicating a minimal level of environmental risk; (3) enumeration by the legislature, signed by the governor; (4) approval by the state Building Commission; and (5) evidence of clear title provided by the owner through a Commitment for Title Insurance.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
May 2005

1. Institution: The University of Wisconsin-Platteville

   Request: Requests authority to: (1) purchase approximately six acres of property in the city of Platteville, Wisconsin, including improvements consisting of a hotel and banquet facility and an adjacent retail building, at a cost of $2,510,000 Program Revenue Supported Borrowing; (2) pay for any necessary environmental abatement with program revenue funds-housing; and (3) extend the campus boundary to include this non-contiguous parcel (map attached). Closing and related costs are unknown, but will be paid from program revenue funds-housing.

   Acquisition is contingent upon: (1) receipt of two acceptable appraisals indicating the estimated purchase value of $2,510,000 is equal to or less than the average of the two appraised values; (2) an environmental assessment indicating a minimal level of environmental risk; (3) enumeration by the legislature, signed by the governor; (4) approval by the state Building Commission; and (5) evidence of clear title provided by the owner through a Commitment for Title Insurance.

2. Description and Scope of Project: The southeast boundary of the campus is to be extended to include the following two parcels:

Address	Area in acres (approx.)
300 W. Business HWY 151	5.6
825 S. Chestnut St.	0.48

   The property known as the Governor Dodge Hotel and Convention Center is located at 300 W. Business Hwy 151, the corner of Hwy 151 and South Chestnut Street. The corner is heavily traveled and is a predominate access route to the campus from Business 151. The property includes several buildings constructed between 1967 and 1996, all siding over wood-frame.

   - A 29,656 GSF 2-building complex providing 74 hotel rooms constructed in 1967.
   - A 7,200 GSF swimming pool addition constructed in 1976.
   - A 7,500 GSF restaurant constructed in 1976 and remodeled in 1995.
   - A 245 GSF storage shed constructed in 1990.
   - A 10,800 GSF convention center constructed in 1996.

   The 825 South Chestnut property includes an approximately 5,000 GSF building of steel over wood-frame constructed around 1964. The building is currently used as an auto parts store.

The two properties are owned by the same owner, and are intended to be sold as one property. The university has an option to purchase the property at a price of $2,510,000. The average of two certified appraisals is _____. The two appraisal values are $2,555,000 and _____. (Note: the second appraisal was not available as of this writing.)

Although a Phase I Environmental Assessment of the property is being undertaken, a less extensive environmental audit has been conducted. The audit indicates testing for asbestos should be done. There may be asbestos in pipe insulation, wall board, and floor tiles. Lead paint may also be present. The estimated cost of remediation will not be known until the environmental assessment is complete.

It is the policy of the Board of Regents that the seller of the property pay for remediation. Sometimes this is accomplished through a price reduction. It is the policy of the State of Wisconsin to not acquire contaminated property.

A part of the lower parking lot of the hotel complex is located in the flood plain. The impact of this on the property is unknown at this time, but may be negligible.

Another consultant is undertaking a feasibility study to determine what work will be needed to remodel the facility and meet building codes. The cost of remodeling could likely be phased into two main stages. The first phase would be the work necessary to obtain an occupancy certificate from the Department of Commerce. The second phase would be the work to gain energy efficiency and functionality. An early preliminary review by UW System staff indicated that remodeling would be in the range of $2 million, with $500,000 of that comprising phase I.

The previous use of the auto parts store property is unknown at this time. The hotel owner purchased the property in 1985. The environmental status of the property is unknown.

The Department of Natural Resources has no records of the property ever having hazardous substances or underground storage tanks.

4. Justification of the Project: For the past several years, enrollment at UW-Platteville has grown gradually and is projected to be approximately 5,600 FTE by the fall of 2005. An initiative to increase enrollment to approximately 7,600 FTE by the fall of 2011 has been approved by the Board of Regents. Known as the Tri-State Initiative, this plan increases enrollment of out-of-state students in engineering and technology based business programs and gradually expands the number of engineering majors from 1,600 to a target level of 2,600 by the year 2011.

   Although the university is constructing a new 380 bed residence hall (occupancy in August of 2006) to meet some of the housing demand created by the planned addition of 2,000 new students, additional residence hall capacity is needed. Current housing

occupancy averages 110% of capacity with the fall of 2004 at 234 beds above capacity.

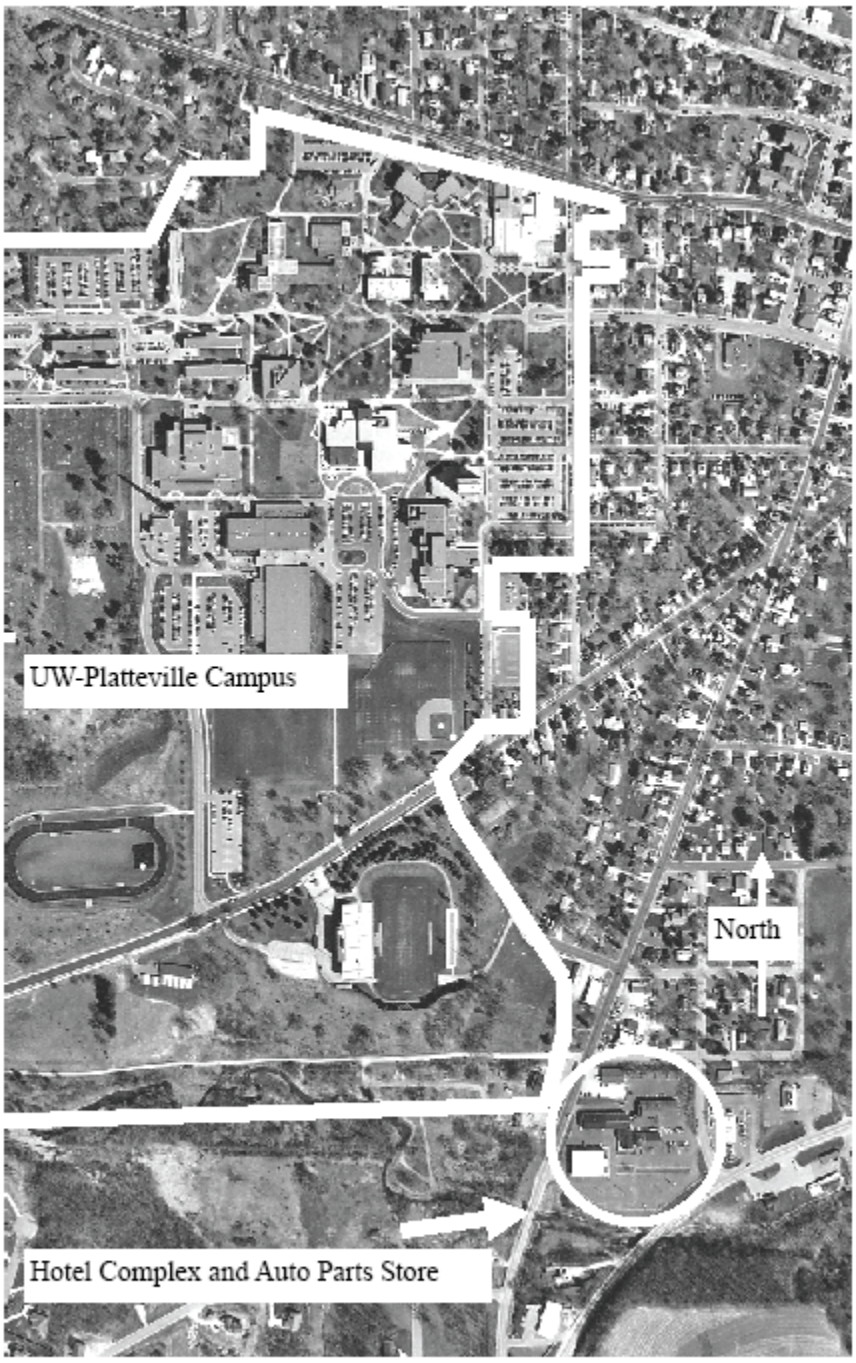
The purchase and conversion of the hotel to a residence hall will help the university meet freshman and sophomore housing demand by providing approximately 220 beds. It is anticipated that the hotel property would be purchased and converted to residence hall housing more economically than building a new residence hall.

The immediate use of the hotel may be for administrative offices to facilitate vacation of the Ullsvik building during remodeling plus some student housing.

The 825 South Chestnut Street property will serve as storage for auxiliary services after the auto parts store lease expires.

5. Previous Action: None.

Attachment



Aerial Photo of Campus and Hotel Complex

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

May 6, 2005
9:00 a.m.
Memorial Student Center
Ballrooms B and C
UW-Stout
Menomonie, Wisconsin

II.

1. Calling of the roll

2. Approval of the minutes of the April 7 and 8, 2005 meetings

3. Report of the President of the Board
    a. Report on the April 15, 2005 meeting of the Educational Communications Board
    b. Report on the April 22, 2005 meeting of the Higher Educational Aids Board
    c. Report on the May 4, 2005 meeting of the Hospital Authority Board
    d. Additional items that the President of the Board may report or present to the Board

4. Report of the President of the System
    a. UW-Stout presentation on an Innovative Instructional Approach to Teaching Math
    b. Additional items that the President of the System may report or present to the Board

5. Report of the Business and Finance Committee

6. Report of the Education Committee

7. Report of the Physical Planning and Funding Committee

8. Regent Meeting Improvement Committee

9. Additional resolutions
    a. Resolution of appreciation to UW-Stout
    b. Amendment of the Bylaws
    [Resolution II.9.b.]

10. Communication, petitions and memorials

11. Unfinished or additional business

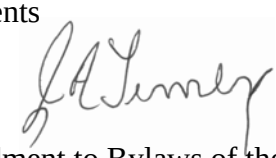
12. Recess into closed session to consider annual personnel evaluations, as permitted by s.19.85(1)(c), W*is. Stats.;* to consider personal histories, and for competitive and bargaining reasons, related to naming of facilities at UW-Madison, as permitted by s. 19.85(1)(e) and (f), *Wis. Stats.;* to confer with legal counsel regarding pending or

potential litigation, as permitted by s.19.85(1)(g), *Wis. Stats.;* and to consider setting a salary at UW-Milwaukee, as permitted by s.19.85(1)(c), *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.

April 27, 2005

To: The Board of Regents

From: Judith Temby 

Subj: Proposed amendment to Bylaws of the Board of Regents

Chapter III, Section 2, of the Bylaws of the Board includes the following sentences: "The Education Committee shall have a Twenty-First Century Implementation Subcommittee appointed by the President of the Board. The subcommittee members and the Chair shall be appointed from among those members of the Board serving on the Education Committee."

That provision was added to the Bylaws in 1997, following completion of the Study of the UW System in the 21st Century. The subcommittee was discontinued after completion of its work, but the language was not removed from the Bylaws at that time.

The attached proposed amendment would update the Bylaws by removing that provision.

Amendment to Bylaws
of the Board of Regents

BOARD OF REGENTS

Resolution:

That Chapter III, Section 2, of the Bylaws of the Board of Regents be amended as indicated on the attached page.

05/06/05 II.9.b.

e. **Personnel Matters Review Committee** consisting of at least three members appointed annually thereto by the President of the Board following the annual meeting. The President and Vice President of the Board shall serve as ex-officio voting members. The President shall designate the Chair of the Committee.

f. **Committee on Student Discipline and Student Governance Appeals** consisting of at least three members appointed annually thereto by the President of the Board following the annual meeting. The President and Vice President of the Board shall serve as ex-officio voting members. The President shall designate the Chair of the Committee.

Special Regent committees may be created from time to time as necessity demands by an affirmative majority vote of the Board, and the President shall appoint the members thereto and the Chair thereof. A Special Regent Committee shall not be created for any matter which is properly before any of the standing committees.

Meetings of the committees may be called by the Chair or by the Secretary of the Board upon the request of two members, or upon the request of the President of the University System.

Duties of the Education Committee

Section 2. The Education Committee shall have charge of consideration of all matters of an educational nature related to the instruction, research, and public service functions of the University System; the academic personnel; and to student services and welfare~~. The Education Committee shall have a Twenty-first Century Implementation Subcommittee appointed by the President of the Board. The subcommittee members and the Chair shall be appointed from among those members of the Board serving on the Education Committee.~~

Duties of the Business and Finance Committee

Section 3. The Business and Finance Committee shall have charge of consideration of all matters related to operating budget, finances, trust funds, business operations, and to non-academic personnel.

Board of Regents of
The University of Wisconsin System

Meeting Schedule 2005-06

2005	2006
January 6 and 7 (cancelled, circumstances permitting)	January 5 and 6 (cancelled, circumstances permitting)
February 10 and 11	February 9 and 10
March 10 and 11	March 9 and 10
April 7 and 8	April 6 and 7 (UW-Green Bay)
May 5 and 6 (UW-Stout)	May 4 and 5
June 9 and 10 (UW-Milwaukee) (Annual meeting)	June 8 and 9 (UW-Milwaukee) (Annual meeting)
July 7 and 8 (UW-Madison Arboretum)	July 6 and 7 (cancelled, circumstances permitting)
August 18 and 19 (Cancelled, circumstances permitting)	August 17 and 18
September 8 and 9 (UW-Extension)	September 7 and 8
October 6 and 7	October 5 and 6 (UW-Platteville)
November 10 and 11	November 9 and 10
December 8 and 9	December 7 and 8

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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
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)
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

Hospital Authority Board - Regent Members
Roger E. Axtell (Vice Chair)
Charles Pruitt
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)
Milton McPike
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Public and Community Health Oversight and Advisory Committee
Patrick Boyle, Regent Liaison

Regent Meeting Improvement Committee
Eileen Connolly-Keesler (Chair)
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Special Regent Committee for UW-Whitewater Chancellor Search
Roger E. Axtell (Chair)
Milton McPike
Peggy Rosenzweig
Brent Smith

Special Regent Committee for UW-Eau Claire Chancellor Search
Peggy Rosenzweig (Chair)
Eileen Connolly-Keesler
Charles Pruitt
Jesus Salas

Special Regent Committee for UW-Colleges and UW-Extension Chancellor Search
Danae D. Davis (Chair)
Mark J. Bradley
Elizabeth Burmaster
Milton McPike

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