



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

August 9, 2006

REVISED 8/16/06

TO: Each Regent

FROM: Judith A. Temby

A handwritten signature in dark ink, appearing to read "J. A. Temby", written over the printed name.

PUBLIC MEETING NOTICE

RE: Agendas and supporting documents for meetings of the Board and Committees to be held at UW-Madison on August 17 and 18, 2006.

Thursday, August 17, 2006

9:00 a.m. – All Regents

- Lieutenant Governor Barbara Lawton: Wisconsin Leadership in Liberal Education and America's Promise
1820 Van Hise Hall
All Regents Invited

10:00 a.m. – All Regents

- “Building on a Great Idea: Elaborating the Benefits of Higher Education in Wisconsin”
Presentation by John C. Burkhardt, Director of the National Forum on Higher Education for the Public Good at the University of Michigan
1820 Van Hise Hall
All Regents Invited

11:00 a.m. – All Regents

- 2007-09 Biennial Operating Budget
[Resolution I.A. to adopt 2007-09 Biennial Operating Budget]
- 2007-09 Biennial Capital Budget
[Resolution I.B. to adopt 2007-09 Biennial Capital Budget]
1820 Van Hise Hall
All Regents Invited

12:30 p.m. – Box Lunch

1:00 p.m. – Committee meetings as follows:

Education Committee
Room 1820 Van Hise Hall

Business, Finance, and Audit Committee
Room 1920 Van Hise Hall

Physical Planning and Funding Committee
Room 1511 Van Hise Hall

Friday, August 18, 2006

9:00 a.m. – Board of Regents meeting
Room 1820 Van Hise Hall

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

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

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

The meeting will be webcast at <http://www.uwex.edu/ics/stream/regents/meetings/> Thursday, August 17, 2006, at 9:00 a.m. until approximately 1:00 p.m. and Friday, August 18, 2006, at 9:00 a.m. until approximately 12:00 p.m.

2007-09 UW System GPR/Fee
Biennial Operating Budget
Request

BOARD OF REGENTS

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the submission of its 2007-09 GPR/Fee Operating Budget request, totaling an ongoing increase of 120.1 million GPR/Fees, including the Growth Agenda, and Estimated Cost to Continue Requests; Program Revenue Requests; Statutory Language Changes; and Performance Measures. The Board's request for the 2007-09 biennium includes tuition revenue changes that would result in increases of 3% in 2007-08 and 1.96% in 2008-09. The Board delegates authority to the UW System President to make minor changes as needed to the Cost to Continue request prior to the September 15, 2006 submission date.

2007-09 UW System
Biennial Capital Budget
Request

BOARD OF REGENTS

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, the 2007-09 Capital Budget request consisting of

- \$135.1 million General Fund Supported Borrowing (GFSB), and
- \$240.5 million Program Revenue Supported Borrowing (PRSB), and
- \$104.9 million Gifts and Grants in 2007-09 for major projects; and
- \$108.8 million General Fund Supported Borrowing, and
- \$8.2 million Program Revenue Supported Borrowing, and
- \$2.0 million in Gifts and Grants in 2009-11 for major projects; and
- \$130 million General Fund Supported Borrowing, and
- \$25 million Program Revenue Supported Borrowing – All Agency Funds for maintenance, renovation, and land acquisition,

be submitted to the Department of Administration and the Building Commission.

The 2007-09 Capital Budget request includes the following:

1. Enumeration of eleven projects at a cost of \$135.1 million GFSB, \$5.9 million PRSB, and \$45.6 million Gifts/Grants in 2007-09; and \$108.8 million GFSB, \$8.2 million PRSB and \$2.0 million Gifts/Grants in 2009-11, with 2009-11 GFSB funding to become available on July 1, 2009.
2. Enumeration of sixteen projects funded by non-GFSB sources (\$234.6 million PRSB and \$59.3 million Gifts/Grants).
3. That the Board authorizes the UW System President to adjust individual project budgets as necessary in the development of the final 2007-09 Capital Budget with the Department of Administration.

Note: \$129.1 million of 2007-09 GFSB will become available on 07/01/07 for five projects which were advance enumerated in the 2005-07 Capital Budget.



2007-09 Biennial GPR/Fee Operating Budget & Capital Budget

The University of
Wisconsin System
August, 2006

BOARD OF REGENTS 2007-2009 BIENNIAL BUDGET

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A. EXECUTIVE SUMMARY AND BACKGROUND

2007-09 UW SYSTEM BIENNIAL BUDGET

EXECUTIVE SUMMARY

BACKGROUND

The 2007-09 Biennial Budget request for the University of Wisconsin System is titled, “A Growth Agenda for the State of Wisconsin.” The Growth Agenda was first introduced by UW System President Kevin Reilly at the February, 2006 meeting of the Board of Regents. It was an outgrowth of themes established by the Board for the 2005-06 fiscal year. The Growth Agenda is a response to both state and regional needs.

In establishing the Growth Agenda, the Board sought to:

- Improve access to the UW System for all qualified students and keep higher education affordable for all Wisconsin people. This includes improving access for people of diverse backgrounds, low-income families, and non-traditional students.
- Increase the number of baccalaureate degrees in Wisconsin. Evidence establishes a link between a region’s economic development and the number of baccalaureate degree holders.
- Improve the quality of the student experience on UW campuses and, thereby, increase success, as measured by retention and graduation rates.
- Strengthen and build relationships with stakeholders, including Wisconsin businesses.

The Governor’s 2007-09 Major Budget Policies document reinforces the Growth Agenda as a priority for the state. Among the top priorities for the state, the Governor listed access to higher education for all Wisconsin citizens, implementation of a Grow Wisconsin Plan that supports high skill/high wage employment, and aggressive pursuit of federal funds. The Growth Agenda includes initiatives that directly address each of these priorities. The general 2007-09 budget instructions asked state agencies not to submit requests for increased state (GPR). However, in recognition of the UW System as a major engine of economic growth for the state, the budget instructions include a specific exemption that allows the UW System to submit initiatives for instruction and research activities focused on economic growth.

The Governor’s and Department of Administration’s (DOA) 2007-09 major policy guidelines are included in the reference section. The instructions require agencies to prepare plans to absorb a ten percent (10%) permanent base cut in administrative operations. The Board of Regents will review the UW System reduction plan in November, prior to the due date. State agencies are also directed to plan how they might reduce the size of the work force without layoffs. Making such reductions will be a significant challenge, given that the UW System spends 57% less than the national average per student for institutional support (higher education’s definition of administration) and 28% less than the Midwest average in dollars per gross square foot for operations and maintenance of facilities. The UW System would need to increase funding for institutional support by \$100 million and funding for facilities operations by \$39 million in order to reach these averages.

GPR/FEE OPERATING BUDGET REQUEST

This document includes the 2007-09 biennial budget proposal for GPR/Fee funded initiatives. This document includes Growth Agenda initiatives, cost to continue, statutory changes, capital budget requests, and performance measures.

Cost to Continue (Section B, Page B-24) are determined in consultation with DOA. These requests fund items that DOA has agreed are needed to maintain an agency's base budget for ongoing operations. The majority of these items are related to pay plan and fringe benefit increases previously approved by the Joint Committee on Employment Relations (JCOER). Estimated utility costs for new buildings and funding for maintenance of the UW-Madison-cogeneration plant are also included. These estimates do not include inflation factors, which will need to be added by DOA, to fully reflect cost increases for the 2007-09 biennium.

The 2008-09 tuition revenue increases needed for cost to continue are \$1.2 million higher than the estimate presented at the August 2 Board meeting, resulting in a slight increase in tuition from 1.75% to 1.96%.

GROWTH AGENDA FOR THE STATE OF WISCONSIN

As noted, the Board of Regents and the Governor have identified access to higher education for all Wisconsin residents as a priority for the 2007-09 biennial budget. The Governor also prioritized the need to attract more federal dollars. The University of Wisconsin System has been, and will continue to be, a key player in meeting these goals. The GPR/Fee operating budget request focuses on Access, Growth and Affordability, with a particular emphasis on helping to grow the Wisconsin economy through expanded research and technology transfer initiatives.

Wisconsin Covenant

One of the cornerstones of the Growth Agenda is improving affordability through the Wisconsin Covenant. The Board is committed to increasing access to the UW System for low income students. The Wisconsin Covenant, while not included in the UW System's biennial budget request, is a top priority for the Board of Regents. The Governor announced the Wisconsin Covenant in his State of the State address in January, 2006. It would provide funding for tuition and fees for Wisconsin students who pledge to maintain good grades and demonstrate good citizenship. The Wisconsin Covenant has been listed as a top state priority for the 2007-09 biennium and is expected to be introduced as a Governor's initiative this Fall.

The Wisconsin Covenant would provide funding for students attending a UW System, Wisconsin Technical College System or Wisconsin Association of Independent Colleges and Universities (WAICU) institution. The UW System Board of Regents passed a resolution in support of the Wisconsin Covenant in June, 2006 and, at its August, 2006 meeting, will consider a resolution in support of a Hold Harmless Tuition Grant proposal that would serve as the foundation for the Wisconsin Covenant. The Hold Harmless Tuition Grant proposal would cover funding for tuition and fees as a last grant during the 2007-09 biennium, and allow the state to begin setting aside resources for the full Wisconsin Covenant program under which the first cohort of students would enter college in the 2011-12 fiscal year.

Tuition and Financial Aid

Affordability for low to middle income families is expected to be maintained through increased funding for the Wisconsin Higher Education Grant for UW Students (WHEG-UW), which is statutorily required to increase by the same percentage as tuition increases for UW institutions and through increased tax credits included in the 2005-07 biennial budget. The Wisconsin Covenant is also expected to include mechanisms to improve affordability for all Wisconsin families with demonstrated financial need.

To further improve affordability, the Governor and the Board of Regents have indicated their commitment to keeping tuition increases as a part of their 2007-09 biennial budget request at rates no higher than the rate of inflation. The Consumer Price Index for 2005 (the last full year recorded) increased 3.1%. In accordance with the Governor's request, and the Board's own concerns about affordability, the recommended request for the UW System includes revenue increases that would raise tuition by 3.0% in 2007-08 and 1.96% in 2008-09, for an average increase of less than 2.5% for the biennium.

Meeting State Needs

The initiatives included in the 2007-09 Biennial Budget request would allow the UW System to grow enrollments by 2,025 full-time equivalent students, to address statewide needs for more teachers in high-demand areas like math and science, and to increase the number of nurse educators in the state to meet Wisconsin's need for nursing professionals. The initiatives target adult non-traditional students, who are more likely to remain in the state following graduation, using directions outlined by the Committee on Baccalaureate Expansion (COBE). The UW Colleges and UW-Extension, in particular, seek to increase adult student participation by developing seven (7) additional accessible degrees a year, including online courses, and working collaboratively with UW System four-year institutions. In addition, UW System institutions have worked, and will continue to work, collaboratively with the Wisconsin Technical College System to improve transfer opportunities. In 2005-06 alone, UW-Madison established three new transfer contracts with WTCS institutions, and UW-Stevens Point created a new collaborative agreement as well.

Veterans

During the 2005-07 and 2007-09 biennia, the UW System plans to increase outreach to veterans and certain dependents of veterans. That outreach will include informing veterans about benefits available to them through the Veterans' Tuition Grants, which allow Wisconsin veterans to attend UW and WTCS institutions while paying only half of the cost of tuition and fees in the 2005-07 biennium, up to 128 credits. In 2007-09, Wisconsin veterans will not need to pay any tuition or fees for up to 128 credits within either system. Spouses and dependents of veterans who died or suffered a 30% disability are eligible to attend without paying tuition and fees in the current (2005-07) biennium. These benefits were generously provided by the Legislature and the Governor to recognize the sacrifice that Wisconsin veterans and their families have made to ensure the safety of all Wisconsin residents. The Higher Educational Aids Board is expected to request funding to support the Veterans' Tuition Grant for both UW System and WTCS

institutions. A resolution in support of the Veterans' Tuition Grant is expected to be acted upon at the August, 2006 Board of Regents meeting.

Student Success

The budget request includes initiatives that would address the need to increase retention and graduation rates at four UW System institutions: UW-Parkside, UW-River Falls, UW-Superior and UW-Whitewater. These initiatives would improve productivity through the use of best practices and increase the number of baccalaureate degrees in the state without increasing the number of students enrolled on the campuses. These productivity increases would build upon previous gains in the UW System. The UW System was recently ranked by the National Center for Higher Education Management (NCHEMS) as fourth most productive nationally in the public research sector (UW-Madison and UW-Milwaukee) and fifth most productive nationally in the public comprehensive sector (the eleven four-year UW Comprehensive Universities) relative to resources.

The UW System has also demonstrated its productivity by increasing student enrollment by 3,182 students over the past 6 years while absorbing base budget reductions of \$225 million and reducing state funded positions by 1,020 full-time equivalent positions. The UW System is committed to searching for ways to improve productivity. However, to maintain the quality of a UW degree, further increases in enrollment need to be matched with increases in state resources

Building Research Capacity

The final component of the UW System's budget request seeks to increase the university's research capacity. The "Powering Southeastern Wisconsin's Knowledge Economy" initiative addresses business needs in the seven-county area surrounding Milwaukee, and expands the Research Growth Initiative to permit UW-Milwaukee to compete more successfully for federal and other extramural funds. It also enhances the level of graduate and undergraduate education, research support and training at the UW's second largest public research institution. The request also seeks to increase NanoSTEM capacity in the Chippewa Valley (UW-Eau Claire and UW-Stout working in cooperation with the Chippewa Valley Technical College), and to match funding provided by WiSys to increase funding for Applied Research.

Statutory Language Changes

Statutory Language Changes (Section B, Page B-27) include proposals that would enable the UW to use resources more efficiently, streamline procedures, eliminate costly duplication, and make technical corrections. With these increased efficiency measures, the UW System would be better equipped to manage resources effectively in an era of limited state resources.

CAPITAL BUDGET

The 2005-07 Capital Budget represented a solid investment by the State of Wisconsin in UW System facilities. One-third of the funding for Major Projects in the state were for UW System facilities. In addition, The UW System received a significant investment in All Agency funds for maintenance, repair, and renovation for the third biennia in row.

During deliberations on the 2005-07 Capital Budget, the Division of State Facilities staff developed and presented to the state Building Commission a six-year plan for Major Projects funded with General Fund Supported Borrowing (GFSB). The plan recommended enumerations for the 2005-07 biennium and some advance enumerations for the two subsequent biennia. The plan also identified priority projects for advance planning in 2005-07 with enumeration anticipated in 2007-09. While the Building Commission supported advance planning, they did not guarantee enumeration. The 2007-09 Capital Budget instructions from the Department of Administration indicated that projects beyond those in the DOA six-year plan would not be considered.

This 2007-09 Capital Budget recommendation accomplishes the following:

- Adheres to the funding target for the UW System established by the Division of State Facilities' six-year plan presented to the Wisconsin State Building Commission.
- Constructs and/or renovates some academic space on every UW System campus for teaching and research.
- Renews and improves student life facilities at nine institutions enhancing the student experience.
- Funds seven priority projects that were not funded in the 2005-07 capital budget.
- Establishes a plan to complete the priority projects requested in 2005-07 Capital Budget for advance planning.
- Continues a commitment to maintain existing facilities and reduce backlogged maintenance.

The Capital Budget recommendation requests enumeration of 32 major projects in 2007-09 with funding totaling \$264.2 million GFSB, \$104.9 million Gifts, and \$268.3 million program revenue supported borrowing (PRSB); and \$137.1 million GFSB, \$2.0 million Gifts, and \$36.0 million PRSB in 2009-11. Individual projects and complete budget details can be found on pages C-3 and C-5 of the budget document. In addition, five projects that were requested in 2005-07 as Major Projects are now requested as All Agency Projects totaling \$30.3 million GFSB. The majority of Major Projects (28) either remodel existing space or demolish obsolete space as part of the project, therefore eliminating long-standing backlog maintenance conditions.

The Capital Budget recommendation continues the state's and university's commitment to maintenance, repair, and renovation of existing facilities by requesting \$130 million GFSB and \$25 million PRSB in All Agency funds.

PERFORMANCE MEASURES

The DOA budget instructions (see Reference Section) require agencies to update the performance measures that were developed and submitted with each biennial budget request, beginning in 2003-05. This section (Section E, page E-1) includes updates for the following four performance measures:

- Enrollment: meet FTE enrollment targets established by the Board in enrollment management plans – target met in 2005-06.
- Retention of Students to the Second Year at Their Original Institution – retention increasing in 2005-06, but slightly below target.
- Graduation Rate – ahead of goal for 2005-06.
- Contribution to Wisconsin Income – slightly below target for 2005-06.

REQUESTED ACTION

Approval of Resolutions I.A (operating budget), and I.B (capital budget), to advance these items to the Department of Administration in compliance with state statutes, to request funding increases for 2007-09, certain statutory changes, and to update performance measures.

RELATED REGENT POLICIES

GPR Ranking Criteria for the 2007-09 Capital Budget (Resolution 9106, December, 2005)
Long Range Plan for Facilities Maintenance Plan (Resolution 8277, December 2000)
Funding of University Facilities Capital Costs (Policy 90-3)

UNIVERSITY OF WISCONSIN SYSTEM

2006-07 Operating Budget

Total Budget: \$4.315 Billion

Federal Funds include funding for: educational opportunity grants, student loans, Pell grants, nursing loans, work study, federal indirect cost reimbursement and research.

Less Federal Funds: - 1.039

Less Gifts, Grants & Contracts: - .486

Gifts, Grants and Contracts include: gifts, grants and bequests for loans, for purposes laid out in the bequest; and grants for specific entities (forestry cooperatives, for example)

Less Auxiliaries, Hospitals, and
Other Receipts: - .836

Auxiliaries, Hospitals and Other Receipts include: housing, food services, student union, textbook sales, parking, and hospitals and athletics.

GPR/Fee Total: \$1.954 Billion

GPR: 1.044 Billion
Tuition: .910 Billion

Less Restricted GPR - .284

Restricted GPR includes funding for: debt service, energy costs, State Lab of Hygiene, industrial & economic development research, distinguished professorships, Veterinary Diagnostic Lab, and Extension outreach.

Net for Educating Students: \$1.670 Billion

\$760 Million GPR

\$910 Million Tuition

B. 2007-09 BIENNIAL OPERATING BUDGET REQUEST

UNIVERSITY OF WISCONSIN SYSTEM
2007-09 BIENNIAL BUDGET
USING TRADITIONAL GPR/FEE SPLITS

PROPOSED NEW GPR/FEE FUNDED INITIATIVES

	FY 2007-08	FY 2008-09	Ongoing Base
	<u>Increase</u>	<u>Increase</u>	<u>Increase</u>
Wisconsin Covenant Staff	110,000	110,000	220,000
Veterans Outreach	110,500	110,500	221,000
Recruitment and Retention of Faculty/Staff	3,333,300	3,333,400	6,666,700
Increased Baccalaureate Degrees:			
Colleges/Extension	800,000	1,820,200	2,620,200
Green Bay	414,900	1,339,500	1,754,400
La Crosse	901,400	2,560,600	3,462,000
Oshkosh	828,300	1,773,300	2,601,600
Parkside	284,700	973,400	1,258,100
Platteville	248,300	320,200	568,500
River Falls	175,000	150,000	325,000
Stevens Point	197,500	69,200	266,700
Superior	88,500	1,042,100	1,130,600
Whitewater	102,600	278,900	381,500
Workforce Development Initiatives			
Milwaukee	1,296,000	8,704,000	10,000,000
Eau Claire and Stout	0	3,062,600	3,062,600
Teacher Education (Multi-Campus)	223,400	2,480,500	2,703,900
Nursing (Multi-Campus)	500,000	2,610,300	3,110,300
Applied Research	250,000	0	250,000
Other Proposed Initiatives			
Early Math Placement	185,000	-55,000	130,000
Transfer Information System Phase Four	495,700	-322,000	173,700
GPR Request	7,085,300	20,218,600	27,303,900
Fee (Tuition) Request	3,459,800	10,143,100	13,602,900
Tuition Excluding La Crosse	2,558,400	7,582,500	10,140,900
GPR/Fee Request	10,545,100	30,361,700	40,906,800

UNIVERSITY OF WISCONSIN SYSTEM
2007-09 BIENNIAL BUDGET
USING TRADITIONAL GPR/FEE SPLITS ⁽¹⁾

ESTIMATED COST TO CONTINUE REQUEST

	FY 2007-08	FY 2008-09	Ongoing Base
	<u>Increase</u>	<u>Increase</u>	<u>Increase</u>
2005-07 Classified Increases Over Pay Plan	6,757,300	0	6,757,300
2006-07 Full Funding of April 1, 2007 Pay Plan	20,376,700	0	20,376,700
2004-05 and 2005-06 Craftworker Adjustments	909,400	0	909,400
Full Funding of Fringe Benefit Cost Increases	31,598,500	0	31,598,500
2004-05 and 2005-06 PRAs and DCAs	1,848,700	0	1,848,700
Smith Lever Pay Plan Increases	266,700	0	266,700
2007-09 Utilities Increases	4,511,100	8,209,300	12,720,400
Return 146.42 Power Plant Positions	0	0	0
Minority/Disadvantaged Financial Aid Programs	738,400	782,600	1,521,000
Application Fee Increases	1,814,100	0	1,814,100
Student Technology Fee Increases	123,800	1,288,500	1,412,300
Veterans Tuition Grants (request in HEAB)	0	0	0
 GPR Request	 51,689,000	 6,118,700	 57,807,700
Fee (Tuition) Request	17,255,700	4,161,700	21,417,400
GPR/Fee Request	68,944,700	10,280,400	79,225,100

NEW INITIATIVES AND COST TO CONTINUE COMBINED

GPR Request	58,774,300	26,337,300	85,111,600
Fee (Tuition) Request	20,715,500	14,304,800	35,020,300
Tuition Excluding La Crosse and Application Fee	18,000,000	11,744,200	29,744,200
GPR/Fee Request	79,489,800	40,642,100	120,131,900

(1) The tuition share is reduced by \$4.1 million in 2007-08 in order to hold the estimated tuition increase to 3%. This amount is added to the GPR request.

Wisconsin Covenant Staff

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	71,500	71,500	143,000
Fees (Tuition)	38,500	38,500	77,000
GPR/Fees	110,000	110,000	220,000

The Board of Regents has endorsed a proposal to establish the Wisconsin Covenant, a program designed to encourage more middle-school students to aspire to attend college. Students who sign up for the Covenant would take a rigorous high school curriculum to prepare themselves well for college. In return, the students would receive state grant funds that would cover tuition and fees.

Implementing the Covenant and making it work will be a significant challenge. Coupled with the Wisconsin Higher Education Grant program, the Covenant will be a key element in making college affordable for lower-income students. There are many details of the program to develop, and a major educational effort will be required to inform potential participants about the program, its requirements, and its benefits. The University of Wisconsin System is requesting \$220,000 in ongoing base funding and 2.0 FTE staff in order to plan, implement, and manage the Covenant and to address other financial aid issues for UW System institutions.

The new staff would work with:

- the Governor's office and other higher education institutions to design the program;
- the Department of Public Instruction to inform potential participants about the program, their obligations should they sign the pledge, and the benefits of participating in the Covenant;
- UW System institutions on policies and procedures for administering financial aid to Covenant participants; and
- other financial aid programs for UW System students.

These staff will play an important role in making the Wisconsin Covenant and other financial aid programs work effectively for participating students. These efforts will help make a baccalaureate degree accessible to more students, which will benefit the students and the State of Wisconsin.

Veterans Outreach

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	\$71,800	71,800	\$143,600
Fees (Tuition)	\$38,700	38,700	\$77,400
GPR/Fees	\$110,500	110,500	\$221,000

The University of Wisconsin System requests funding to create three outreach positions to work both with veterans who are prospective or current students at our institutions and with their families, as well as with other concerned individuals and organizations. A fourth position would be created through an agreement between the UW System and the Wisconsin Department of Veterans' Affairs. These four positions would be located throughout the state such that each would serve a geographical area including multiple campuses (southeastern, southwestern, northeastern and northwestern sectors of the state). In addition, these individuals would serve as contact points for out-of-state veterans interested in attending UW System institutions.

Originally seen as an outgrowth of the Wisconsin GI Bill program, it is anticipated that these individuals would assist veterans in their transition to academic life in a number of ways:

- Provide information about applications, benefits, and programs to returning veterans and their families through various means, including but not limited to attending premobilization and demobilization briefings, newsletters, websites, attendance at other veterans' and military functions;
- Provide information to County Veterans Service Officers (CVSOs) about the range of benefits and assistance available to veterans and their families at UW System campuses;
- Work with the Wisconsin Department of Veterans Affairs in obtaining all appropriate assistance for Wisconsin student veterans and their families at UW System institutions;
- Assist current campus veterans-certifying officials in disseminating veterans related information across each campus and in accessing state and Federal programs that benefit veterans;
- Assure that all veterans and their families understand and can access their benefits on campus;
- Work with veterans to ensure that each received appropriate credit for previous course work and military training, through, for example, the State of Wisconsin Department of Veterans Affairs ACME Program (Academic Credit for Military Experience), DANTES Credit-by-Examination Program, and the ACE (American Council on Education) Military Evaluation Program; and
- Identify and work to remove barriers to veterans in their reintegration into campus life and in their academic success.

The UW System welcomes the opportunity to increase the number of veterans on our campuses. Not only are programs such as the Wisconsin GI Bill a means to acknowledge the service and sacrifice of these individuals and their families, but they may bring valuable diversity to our campuses. Veterans will, in many cases, be more mature than our traditional student body. In addition, while Wisconsin's population is approximately 10% minority, veterans under the age of 45 are approximately 16% minority and those under 30 are approximately 18% minority.

Furthermore, while the number of female veterans in Wisconsin is growing, males still make up the majority of Wisconsin's military membership (over 80%). Thus, increasing the number of student veterans may also counteract to a small degree the problem of a declining male population at our institutions. Thus, any growth among student veterans can be an avenue to provide additional diversity and gender balance to our campuses. Combining this with the possibility of accessing teachers through the Troops to Teachers program would also address under-representation in our public school teaching community.

Finally, with an active system of veterans' outreach representatives in the state, Wisconsin may become an educational destination for out-of-state veterans as well, thereby bringing welcome Federal 'Montgomery' GI Bill and Troops to Teachers dollars into our state.

Recruitment and Retention of Faculty and Staff

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	2,307,700	2,307,700	4,615,400
Fees (Tuition)	1,025,600	1,025,700	2,051,300
GPR/Fees	3,333,300	3,333,400	6,666,700

To help increase federal funds returning to the state of Wisconsin and provide access to higher education for all citizens, the UW System must continue to recruit and retain top faculty and staff. This requires competitive, market-based salaries. This budget initiative seeks \$6.7 million of ongoing GPR/Fee funds (\$4.6 million ongoing GPR/\$2.1 million ongoing tuition revenue) to help the UW System recruit and retain its top faculty and research academic staff.

The UW System annually reviews peer salary data from established peer groups and national reports on faculty salaries. The peer groups were established by the 1984 Governor's Faculty Compensation Study Group. This salary information is compiled both adjusted and unadjusted for cost of living.

The salaries of UW System faculty and staff fell significantly behind their peers' salaries in the mid-eighties and the state invested hundreds of millions of dollars to place staff closer to their peers. In subsequent years, the peer methodology was successful in keeping faculty and staff within range of their peers. At the end of the 2001-03 biennium, the UW System was within 4% of its peers. However, the increases provided in 2003-05, 0% in 2003-04 and 1% in 2004-05, were lower than peers, and the distance between UW System staff and their peers increased. An overall assessment of salary data indicates the UW faculty ended the 2003-04 fiscal year 5.5% behind its peers, when the salaries are adjusted for inflation. On an unadjusted basis, faculty were 6.12% behind their peers. This represents a 2% increase in the gap during the 2003-05 biennium.

Even with pay plan increases of 2%, and 4.3% in the 2005-07 biennium, the UW System has fallen further behind its peers and is expected to end the biennium 8.7% below the peer median. A gap of this magnitude would be very difficult to close in one biennium. The UW System will submit a pay plan request to the Office of State Employment Relations (OSER) later this year. In addition, this requests a separate fund to be set aside to allow institutions to compete with others in higher education to retain our faculty and research staff who are sought by other institutions, and allow UW institutions to be in the market for new, bright academic talent.

This funding would build upon the \$3.3 million of ongoing funding recommended by the Governor and approved by the Legislature in the 2005-07 budget. That funding has been helpful in retaining some faculty. The additional funding would only be provided in selective cases as needed to compete with other offers or to bring salaries that are significantly out-of-market closer to market in areas of high demand.

UW Colleges/Extension: Adult Student Initiative

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	520,000	1,183,100	1,703,100
Fees (Tuition)	280,000	637,100	917,100
GPR/Fees	800,000	1,820,200	2,620,200

The UW Colleges/Extension requests funding to establish its Adult Student Initiative. An additional \$250,000 of one-time funding for enhanced computer hardware and software is also requested. This initiative is an outgrowth of recommendations of the Committee on Baccalaureate Expansion, which identified the need to expand access to higher education in the state. The goal of the initiative is to meet the needs of the state by increasing the number of baccalaureate degree holders, as follows:

- identifying, recruiting, and better-serving potential adult learners;
- expanding opportunities for these students to obtain both associate and baccalaureate degrees via course re-design for accessibility, using both distance and hybrid course formats;
- making better use of prior-learning assessment to enhance degree completion and student success; and
- providing increased counseling, student services, and advising.

The proposed initiative will provide services and course delivery that are designed specifically to meet the needs of the adult working population. It is anticipated that headcount admissions to UW Colleges will increase by 650 in the first year and 1,140 in the second year of the initiative, with 7 additional accessible degrees added in each year.

Recent statistics indicate that Wisconsin's per capita personal income is below the national average and considerably lower than that of neighboring states. In response, Wisconsin must create significantly more high-paying employment opportunities within the state's economy, and, the workforce must possess high levels of education to obtain these jobs. According to a 2005 report by the U.S. Census Bureau, the percentage of Wisconsin's population 25 and older with at least a baccalaureate degree was markedly below that of Minnesota and Illinois. Any improvement in these statistics is presently limited by the small percentage of working-age adults enrolled in college-level education and a declining number of high school graduates. This initiative is designed to counteract this trend by increasing the number of adult, non-traditional students who are working toward, and obtaining baccalaureate degrees.

UW-Green Bay: Access Green Bay

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	269,700	870,700	1,140,400
Fees (Tuition)	145,200	468,800	614,000
GPR/Fees	414,900	1,339,500	1,754,400

UW-Green Bay requests funding to increase its enrollment by 195 FTE by 2009-10, as part of a multi-biennium plan that would ultimately increase student headcount by 2,150 (1,841 FTE) by 2016-17. This growth would be supported by an increase in new freshmen and transfer students, as well as an increase in access to high demand programs. This would bring the institution's final target headcount enrollment to 7,500 and would permit efficient growth, by supporting more students on the marginal costs required to build on the existing foundation, without accruing additional indirect support costs.

This request would provide increased access to the university for residents of the community, most specifically students of color and first generation college students. In addition, as overall enrollments grow, the request will expand high-demand programs, such as business, education, and biology. This growth is vital because, for example, in the education program, over 15% of qualified applicants are denied admission due to resource constraints each semester. The majority of new funding for this initiative will support instruction of additional students; increase support for student and faculty technology and libraries; and increase student services geared specifically to students of color and adult students.

Brown County and the City of Green Bay have recently seen extensive demographic change. Within Wisconsin, Green Bay's growth rate of 6.1% from 1990 to 2000 was exceeded only by that of Madison. Diversity in the public schools of the area is also increasing, such that by 2015 the majority of students is expected to be "minority." While the population is growing, only about 22% of Brown County residents have a baccalaureate degree, a number which must be increased to enhance economic development in the area. Applications to the university have increased, but the admissions rate has declined because of limited resources.

The university is committed to this initiative to meet existing unmet demand from new students, lay the foundation to realize rising aspirations and success of students of color and first-generation college students, and to develop and expand programs in fields critical to the region's development. As a result, the region will benefit from a more highly educated, diverse workforce to fuel its economic development.

UW-La Crosse Growth Agenda

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	0	0	0
Fees (Tuition)	901,400	2,560,600	3,462,000
GPR/Fees	901,400	2,560,600	3,462,000

To capitalize on its reputation for high-quality programs and market position, UW-La Crosse requests authority to pilot an experimental tuition management program that will help fuel the economic engine of the state through a “brain gain” strategy. Specifically, the proposed tuition pilot will:

- 1) Accommodate planned and managed growth of resident and nonresident students;
- 2) Increase access and financial aid for students in the two lower economic quintiles; and
- 3) Generate revenue to support additional campus growth.

The proposed self-funded tuition program would require no additional GPR and would allow the campus to generate the financial resources needed to achieve the following outcomes:

- Increased access, particularly to those students in the lower two economic quintiles, by enrolling more resident and nonresident students and providing self-funded financial aid for those most in need.
- Increased number of baccalaureate and advanced degrees awarded.
- Continued increase in the number of diverse students within the campus community.
- Enhanced levels of academic excellence.
- Steady and/or improved retention and graduation rates.
- Planned and managed growth in niche curricula in the academic program array.
- No additional GPR would be required.

Over time, UW-La Crosse would set undergraduate tuition at the average of the Upper Midwest Comprehensive Peer Group, and set graduate tuition at “market levels” for each program. To keep tuition affordable for lower-income students, UW-La Crosse plans to use approximately 25% of the new revenue for increased financial aid when the program is fully implemented, or nearly \$4 million annually. Much of the financial aid and scholarships would be targeted to the two lowest economic quintiles.

UW-La Crosse plans to add 1,000 new students over the next several years, with total enrollment reaching 10,000. The additional financial aid funding will help UW-La Crosse to reach UW System averages in the percentage of new Wisconsin freshmen in the fourth and fifth economic quintiles. This would be an increase from about 150 new freshmen per year from those quintiles. UW-La Crosse plans to double its minority and disadvantaged population from around 500 to 1,000.

UW-Oshkosh- Oshkosh Growth Agenda

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	538,400	1,152,600	1,691,000
Fees (Tuition)	289,900	620,700	910,600
GPR/Fees	828,300	1,773,300	2,601,600

UW-Oshkosh requests funding to provide enrollment growth and implement two new programs for graduates of the Wisconsin Technical College System (WTCS). Funding is requested to increase the number of graduates in high demand programs, increase collaborations, and develop new programs that will articulate with the needs of WTCS graduates. Current programs to be expanded include: biology/microbiology, medical technology, psychology, nursing, teacher education, and business. New programs to be developed are those designed for students who have already earned associate degrees from WTCS institutions (Bachelor of Applied Sciences, Bachelor of Fire and Emergency Response Management). It is anticipated that this funding will permit the campus to grow by 480 students by the end of 2007-09. Of these, over 130 will be in the new bachelors programs alone. This is part of a three-biennia program which will ultimately increase the number of students by 1,440.

The request will permit the institution to meet the increasing demand in popular majors such as biology/microbiology, criminal justice and medical technology. It will permit the university to increase the number of nursing students in the three active nursing collaborative programs, to expand the collaborative program in teacher education between UW-Oshkosh and UW-Sheboygan, and to provide the mechanism for an alternative licensure program for math and science teachers. The state has a critical need for additional teachers and nurses for the foreseeable future. The proposed expansion will help meet these needs.

Expansion in the College of Business Administration is in response to the needs of regional businesses for trained staff, specifically in underwriting. Development of an entrepreneurship emphasis will directly affect the long-term economic development of family and closely held businesses in the area. Additional regional business centers will improve the economic viability of the area by enhancing the development of sustainable business practices. Finally, new programs in applied studies and fire and emergency response management permit the institution to provide additional baccalaureate options for individuals with associate degrees, thereby meeting goals set by the Committee on Baccalaureate Expansion.

The campus growth will be accomplished by increases in both enrollments and retention.

UW-Parkside: Foundation for Success

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	185,100	632,700	817,800
Fees (Tuition)	99,600	340,700	440,300
GPR/Fees	284,700	973,400	1,258,100

UW-Parkside is a campus of opportunity within the UW System, providing access to large numbers of first-generation college students, students of color, and adult students; and giving students with limited prospects to earn bachelor's degrees the chance to succeed at college. However, given this access mission, the campus serves a disproportionate percentage of students who graduated in the bottom half of their high school classes, who are at high risk of failing to complete a bachelor's degree. These students face significant challenges in college. UW-Parkside requests funding for its "Foundation for Success" to address these challenges. While most of the funding is ongoing, there is also a need for \$145,000 of one time dollars to initiate the staffing process and to create a Student Success Center.

On a campus which is the UW System's most ethnically diverse, on which 85% of students commute, over 20% are non-traditional, the majority are first generation college students, and 40% are from the lowest two income quintiles in the state, there is a need for a comprehensive, coordinated and seamless infrastructure to foster student success and increase retention and graduation rates. This request proposes a number of programs to provide assistance to its students and faculty/staff, such as: improved diagnostic procedures and tools to determine students' needs and deficiencies; expanded, more comprehensive advising, especially to high-risk and transitional students; learning communities to build academic skills, learning assistance and first-year seminars; faculty/staff/peer mentoring programs specifically developed to help address the needs of high-risk students; improved orientation programs specifically for transfer and transitioning students; and improved campus-wide communication and access to information for all students. It is anticipated that these initiatives will increase retention, improve performance, reduce credits to degree, and raise graduation rates. As a result, the campus anticipates an increase of between 67 and 127 additional graduates per year.

The region served by UW-Parkside, particularly Racine and Kenosha Counties, needs workers with higher-level skills and training. This region lags behind many parts of the state in the percentage of its population age 25 years and older with a baccalaureate or higher degree. Because 85% of its graduates remain in the area, an increase in the number of UW-Parkside's graduates will have a direct effect on the educational level of the local community. In addition, as the state grows, there will be increasing demand for professionals, executives, and community leaders from diverse backgrounds. UW-Parkside has the potential to prepare just such a diverse student body for employment and service in the state.

UW-Platteville Engineering Education Initiative

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	161,400	208,100	369,500
Fees (Tuition)	86,900	112,100	199,000
GPR/Fees	248,300	320,200	568,500

UW-Platteville requests funding for the third phase of its collaborative efforts with UW Colleges to increase engineering degree options available to students throughout the state.

Phase I provides a mechanical engineering degree in cooperation with UW-Fox Valley, along with some courses in electrical engineering. It is fully operational and there are presently 170 students in this program. More recently, Phase II has begun providing an electrical engineering degree at UW-Rock County. Still in its startup phase, it has approximately 50 students at this time but is anticipated to grow in a manner similar to Phase I. Both programs cater to non-traditional students, working adults who are place-bound.

This request would fund Phase III, which will add a mechanical engineering professor in Rock County and use alternative delivery methods, such as streaming video technology to expand course offerings in electrical engineering in the Fox Valley and mechanical engineering in Rock County. As a result, both full degree programs will be offered at each site. The alternative delivery methods will permit the UW-Platteville courses to be transmitted to other UW Colleges throughout the state, as interest permits. Traveling laboratories will be developed for those campuses requiring additional laboratory resources.

This initiative will provide added undergraduate engineering degree programs and meet ongoing workforce development needs, without large investment in additional facilities. The initiative will add 200 students at UW-Fox Valley and UW-Rock County and as many as 300 additional students at other UW Colleges campuses. As a result, such education can be made available throughout the state and, specifically, to regions with relatively smaller population bases. Since the courses provided are those delivered at UW-Platteville, accreditation would automatically apply to the distance education programs.

UW-River Falls: Excellence in First Year Experience and Students in Transition

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	113,800	97,500	211,300
Fees (Tuition)	61,200	52,500	113,700
GPR/Fees	175,000	150,000	325,000

The University of Wisconsin-River Falls requests funding to become an “Institution of Excellence” in programming for the first-year experience and students in transition (FYE/ST). The institution will strive to challenge and support students new to the institution in their first college year through a comprehensive program grounded in their core values of integrity, academic excellence, inclusiveness, community and continuous improvement.

Funding will allow the institution to develop a coordinated, integrated and comprehensive first-year experience for all students new to the institution. UW-River Falls will create a centralized office to manage FYE/ST programs, assess the impact of those programs to ensure efficient use of resources, and will increase the interaction between faculty, staff, and students throughout the first year. Programs supported with this funding will include a year-long transitioning student workshop series, first-year curriculum development and implementation, emerging leaders program for first-year students, and parent communication tools. In addition, programming will include diversity awareness and community-building for all new students.

A better coordinated and integrated program will allow the institution to improve retention rates for first year and transfer students, including students of color. Currently, the institution retains 75.2% of first-year students to the second year. This request will help the institution reach its goal of 80%, which would mean an additional 60 students a year are retained to the second year.

UW-Stevens Point: New Health Science Major

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	128,400	45,000	173,400
Fees (Tuition)	69,100	24,200	93,300
GPR/Fees	197,500	69,200	266,700

The University of Wisconsin-Stevens Point requests funding to implement a new major in Health Science. This major is designed to prepare graduates for career advancement in health care-related industries, such as pharmaceutical sales, administration, and the health insurance industry; and placement in entry-level positions in diverse settings, including acute, outpatient, and long-term care facilities. The program will also assist students seeking graduate degrees in programs for physical therapy, occupational therapy, health care administration, or health care informatics. The program will accommodate 50 majors per year once fully implemented.

Funding will be used to hire 2.5 FTE faculty positions to teach the Health Science courses, advise students, and coordinate pertinent experiences with health care institutions. In addition, a 0.5 FTE program assistant will provide clerical support and coordination for the program. Funding for supplies and expenses to support the program is also requested.

According to projections from the US Department of Labor, Bureau of Labor Statistics for 2002-2012, nine of the ten fastest-growing occupations are in health-related fields. This program will serve the unmet needs of health professionals in central and northern Wisconsin, UW-Stevens Point's primary service area.

UW-Superior: Liberal Arts Emphasis

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	57,500	677,400	734,900
Fees (Tuition)	31,000	364,700	395,700
GPR/Fees	88,500	1,042,100	1,130,600

UW-Superior is requesting funding to implement an initiative to further its mission as Wisconsin's public liberal arts college. In 2003, as part of UW-Superior's regular accreditation process, the Higher Learning Commission of the North Central Association of Colleges and Universities (NCA) raised concerns regarding the degree to which UW-Superior had fully "operationalized" its stated mission as a public liberal arts college. The NCA site team specifically recommended that UW-Superior implement "generally accepted features" of a liberal arts-based educational experience and that core features consistent with that experience be integrated across the curriculum. In response, the campus has developed a detailed initiative that would provide undergraduates with a distinctive set of experiences that will better integrate them into the campus and its public liberal arts mission. The components of this initiative fall into six broad categories:

- 1) Academic Service Learning, which entails community-based service opportunities that are embedded within credit-bearing courses and relate to course objectives.
- 2) First Year Experience/Freshmen First, a package of initiatives designed to integrate students into the campus community and its public liberal arts mission.
- 3) Global Awareness, which builds upon UW-Superior's existing strength in global studies to make global studies a centerpiece of the student experience at UW-Superior while also enhancing the language study, international programs, and global economic development areas of study.
- 4) Senior Experience. All undergraduate majors will have in place a required "Senior Experience" activity, which will ask each student to engage in a significant piece of scholarly or creative work. The public presentation of Senior Experience work will become a focal point for campus activity in the Spring semester with a particular emphasis on involving lower-division students.
- 5) Writing Across the Curriculum (WAC), which will stress direct service to students through an expanded writing center.
- 6) Increased institutional support in the areas of admissions, advising, and institutional research.

With additional liberal arts funding, UW-Superior would maintain its overall enrollment within the campus' traditional service area at a time of declining high school graduation rates, while also increasing the number of new freshmen and transfer students from outside UW-Superior's traditional service area by 16 students in 2008-09, and an additional 78 enrollments by 2013-14. In addition, UW-Superior would increase its second-year retention rate from 67.3% to 79.5% by retaining an additional 40 students per year.

UW-Whitewater: Recruiting and Retaining Multicultural, Disadvantaged, and Disabled Students

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	66,700	181,300	248,000
Fees (Tuition)	35,900	97,600	133,500
GPR/Fees	102,600	278,900	381,500

UW-Whitewater requests funding to support a series of initiatives focused on increasing access and success for multicultural, disadvantaged and disabled students. These six campus initiatives will support efforts related to Plan 2008 and the Equity Scorecard project and include: (a) recruiting multicultural, disadvantaged, and disabled students to UW-Whitewater and into individual programs, (b) providing intensive transitional support for these students both during the summer before their freshman year as well as during the freshman academic year, (c) providing a learning community program that includes smaller class sizes for students during their freshman year, (d) providing both smaller class sizes and supplemental instruction in specific “gateway courses” across the university, (e) providing faculty mentors/resource persons in targeted academic areas of education, business and science, and (f) providing on-campus employment and experiential opportunities.

The proposed initiative is based on activities that UW-Whitewater has found to be successful in the recruitment and retention of targeted students. The campus currently has three successful summer programs which bring students to campus to provide academic preparation and other transitional help to ensure a successful start to their academic career. Students who have participated in this program have a higher first-to-second-year retention rate than other entering students with similar profiles who do not participate in the program. UW-Whitewater has seen the same result for students who participate in learning communities on the campus. While UW-Whitewater does not currently have any supplemental instruction specifically for “gateway courses,” it has been seen nationally that programs that target “gateway courses” have proven to not only be effective in helping students to be successful in those courses, but to also allow access to a wider variety of majors.

Measurable outcomes of the proposed initiatives will include: (1) increasing by 50 the number of minority, disadvantaged, and/or disabled students enrolled at the university per year, (2) the retention of 40 additional second year students per year, and (3) an eventual six-year graduation rate of 50 percent for this group of students, which equates to 25 additional graduates per year.

UW-Milwaukee: Powering Southeastern Wisconsin's Knowledge-Based Economy

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	1,192,400	7,577,500	8,769,900
Fees (Tuition)	103,600	1,126,500	1,230,100
GPR/Fees	1,296,000	8,704,000	10,000,000

UW-Milwaukee proposes expanding its research capacity/infrastructure and training to develop the type of highly skilled and diverse workforce necessary to support a vibrant knowledge-based economy in Southeastern Wisconsin. This will, in turn, both strengthen the existing business environment and attract new businesses to the area. This initiative will leverage a plan to grow enrollments to approximately 30,000 students on the campus by 2010. With this funding, the campus will:

- expand its present Research Growth Initiative to permit the campus to compete more successfully for extramural research funds;
- develop a broad-based program in medical imaging research by hiring twenty leading faculty in the field; and
- enhance the level of graduate and undergraduate education, research support and training.

Since 2000, the Milwaukee area has lost approximately 3,000 jobs, experienced a 15% drop in household income, and a 5% increase in poverty. Transition to a knowledge-based economy is essential to the development of the region. No significant metropolitan area has made such a transition without a research-based university at its core. Metropolitan Milwaukee's research and development infrastructure is insufficient at present to serve as the catalyst for this economic development. This initiative is envisioned to fill the gap.

The campus requests resources to leverage existing research potential with seed funding. The goal is to leverage each dollar with three dollars in additional extramural research funds. In addition, the campus will hire a cluster of faculty to establish a program in medical imaging research to work collaboratively with the Medical College of Wisconsin and area biomedical and healthcare corporations. Finally, the campus will enhance its level of graduate education and support, and the opportunities it provides for undergraduate research.

UW-Milwaukee currently provides 42% of the UW System's bachelor's degrees to African American students, 45% of its master's degrees to African American students and 37% of its Ph.D.s to African American students. Enhancing undergraduate and graduate education will have a direct effect on the success of the UW System's diverse student body.

UW-Eau Claire/Stout: Chippewa Valley NanoSTEM Initiative

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	0	2,209,700	2,209,700
Fees (Tuition)	0	852,900	852,900
GPR/Fees	0	3,062,600	3,062,600

Funding is requested to develop the *Chippewa Valley NanoSTEM Initiative*, a collaboration between UW-Eau Claire, UW-Stout, and the Chippewa Valley Technical College (CVTC) to provide the education and training needed for the Chippewa Valley region to embrace important emerging technologies in science, technology, engineering, and mathematics (STEM). The proposed initiative offers a unique combination of strengths with the specific goals of:

- 1) Educating more students in advanced STEM disciplines, including nanotechnology, biotechnology, polymer engineering and computer and electrical engineering;
- 2) Providing access to state-of-the-art science and engineering facilities and expertise for both students and regional businesses and industry as more public-private partnerships are promoted and sustained in the Chippewa Valley region;
- 3) Building a three-pronged workforce skill set of science, engineering, and technology through which to attract and retain the high-end employers of tomorrow.

UW-Eau Claire, UW-Stout, and the Chippewa Valley Technical College will capitalize on existing expertise and partnering in the development and enhancement of degree programs that focus on the triad of nanotechnology, nanoengineering and nanoscience education. These multidisciplinary, integrated programs will provide a well-educated work force uniquely skilled in the integration of innovative nanoscale science and technology applications into a wide range of industries in the upper Midwest, particularly those along the I-94 corridor.

Additionally, in order to address the low numbers of students from underrepresented groups pursuing baccalaureate degrees in various STEM disciplines, UW-Eau Claire and UW-Stout will expand their undergraduate recruiting efforts in nearby population centers that contain significant numbers of underrepresented students. UW-Stout is also working with Bradley Tech High School to develop a Summer Technology and Engineering Preview at Stout (STEPS) program for girls aimed at getting more women and minorities into engineering programs such as those proposed in the *Chippewa Valley NanoSTEM Initiative*.

With funding for the proposed *Chippewa Valley NanoSTEM Initiative*, UW-Eau Claire and UW-Stout will enroll 172 new students in 2008-09. Between 2009-10 and 2012-13, the two campuses will enroll an additional 482 students in the proposed programs.

Teacher Education (Multi-campus)

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	145,200	1,612,300	1,757,500
Fees (Tuition)	78,200	868,200	946,400
GPR/Fees	223,400	2,480,500	2,703,900

The University of Wisconsin System is requesting funding to address the teacher education needs of the State of Wisconsin through:

- 1) Enhancing Cultural and Social Competencies for Teacher Education Students: This effort will sustain the UW System Institute for Urban Education model across the state and expand it to rural areas to increase and improve professional development opportunities for UW System students who want to be prepared to work in urban and/or rural education. This will serve to improve the depth and quality of the applicant pool for Wisconsin public schools, as well as improve the ability of the UW System to place pre-service teachers in urban and rural settings during their training.

- 2) Recruiting and Retaining a Diverse Student Body in Teacher Education and Enhancing Program Capacity to Meet the Needs of the State

Using statewide data on teacher supply and demand and Plan 2008 as guides, additional funding is requested to enhance campus efforts to recruit and retain students from diverse backgrounds into teacher education. The requested funding would be distributed among UW System campuses and each campus would be expected to work collaboratively with others in their region, including their K-12 colleagues, to most efficiently work to recruit and retain minority students. They will also address the unique supply and demand issues consistent with various geographic areas of the state.

- 3) Assessment and Evaluation of UW System Teacher Education Programs

State of Wisconsin teacher education rules (PI 34) require UW System education preparation programs to assess the proficiency of their graduates, including documenting the acquired knowledge, skills and dispositions that are aligned with state educational standards. To assess how well teacher education programs are meeting the needs of the state and the impact of quality teachers on student learning using valid and reliable measures, the UW System requests new state funding to develop a systemwide database and common process for collecting and disseminating data.

Nursing Initiative

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	325,000	1,696,700	2,021,700
Fees (Tuition)	175,000	913,600	1,088,600
GPR/Fees	500,000	2,610,300	3,110,300

The University of Wisconsin System requests funding to increase the number of nurse educators and new nursing graduates for the state of Wisconsin. This request will leverage work already being done by UW System Schools and Colleges of Nursing through two Federal grants and will enhance and expand opportunities for accelerated nursing degrees, off-site programs to reach new areas of the state, and on-line distance education to reach place-bound students.

The request has two goals: One, to increase the number of master's-prepared nurses and advanced practice nurses committed to faculty/clinical educator positions in the state of Wisconsin and two, to increase the number of baccalaureate-prepared nurses for the state of Wisconsin. This request seeks funding to help achieve those goals through a number of innovative and creative strategies. These strategies include:

- Expanding off-site programs at UW-Eau Claire, UW-Oshkosh, UW-Green Bay, and UW-Milwaukee to reach areas of the state that currently do not have access to nursing programs. These areas include Marshfield, Wausau, Rhinelander, and Washington County.
- Developing new accelerated programs at UW-Eau Claire and UW-Madison to serve students who already have a bachelor's degree in other fields but who want to make a career change.
- Increasing the capacity in graduate programs at UW-Oshkosh, UW-Milwaukee and UW-Madison to increase the pipeline of future nursing faculty and clinical instructors.

Recruitment into the nursing profession has become a priority for nursing schools and employers alike in Wisconsin. The good news is that there has been a dramatic increase in the number of applications to nursing programs. The bad news is that there are inadequate numbers of nurse educators to meet the rapid acceleration in demand. In addition to nurse educator shortages, projected nursing shortages will also affect Wisconsin. In the next 15 years, the demand for nurses in the state will exceed supply by 13 percent. Both of these factors mean the UW System must build the capacity of its educational institutions by increasing academic and clinical faculty, and preparing more baccalaureate nurses who, in turn, have the potential to become nurse educators.

Applied Research Program

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	250,000	0	250,000
Fees (Tuition)	0	0	0
GPR/Fees	250,000	0	250,000

The Applied Research Program was established as part of the 1987-89 biennial budget. It is designed to encourage faculty and academic staff from all academic disciplines throughout the UW System to apply their expertise and scholarship to support applied research activities that are likely to improve connections between knowledge and practice and that promote positive change in the economy of the state of Wisconsin. These may include fostering business expansion and improving profitability, creating jobs and enhancing workforce quality, reducing costs and increasing efficiency, and improving the quality of Wisconsin's products and services.

Each proposal should include a commitment for fiscal support from a private sector partner or partners; have appropriate and significant student participation; demonstrate sustainability or potential of funding for further development; and be interdisciplinary or involve more than one UW System institution.

Presently, this program is funded at approximately \$425,000. Over the last ten years, the UW System has been able to award an average of 12 grants per year, with individual grants not to exceed \$50,000. The UW System has been offered a grant of \$250,000 per year for four years, if matching funds can be provided. As a result, UW System is requesting an additional state investment of \$250,000 per year to provide for this match. This increased level of funding would permit expansion of this program and funding of multi-year grants as well.

Early Math Placement Test (Multi-campus)

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	185,000	-55,000	130,000
Fees (Tuition)	0	0	0
GPR/Fees	185,000	-55,000	130,000

The University of Wisconsin System is requesting funding to revamp the Early Math Placement Testing (EMPT) program. The EMPT is designed to measure the current math skills level of college bound high school juniors by:

- 1) Informing students about their level of math skills versus college math placement, the math requirements of college, and math requirements of specific majors;
- 2) Providing a preview of UW placement testing similar to the PSAT or PACT;
- 3) Encouraging students to take a mathematics course during their senior year, as well as take math more seriously; and
- 4) Assisting with college preparation by providing individualized feedback reports and post-test counseling by math teachers.

The EMPT was developed in the mid-eighties as a result of the large number of incoming University of Wisconsin students who required remedial mathematics attention. As a consequence of being placed in remedial math, students must take extra courses which do not apply toward their degree requirements as well as pay a fee for these courses in addition to their regular tuition. Thus, a deficiency costs a student both time and money.

The original EMPT was discontinued in 2001, not for of a lack of satisfaction with the test, but because of a lack of funding. In follow-up studies in each of the years that the EMPT was administered, it was found that for those students who participated in the EMPT and then enrolled at a UW institution, there was a distinctly lower percentage scoring in the remedial range on the UW Math Placement Test.

The re-configured EMPT would be administered through a computer interface. High school teachers could choose to use the test class-wide or could offer it to individual students. In addition, the EMPT would self-score and provide feedback to the student on the spot.

Transfer Information System (TIS) Phase IV (Multi-campus)

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	495,700	-322,000	173,700
Fees (Tuition)	0	0	0
GPR/Fees	495,700	-322,000	173,700

The University of Wisconsin System is requesting funding to implement Phase IV of the Transfer Information System (TIS), which would provide degree audits that summarize progress toward an intended degree to potential transfer students to help guide them in their academic planning and preparation. TIS Phase IV would have the capability to electronically transfer student records. The opportunity to request and receive an unofficial degree audit from a remote site (whether in Wisconsin, Minnesota or elsewhere) is a function also included within the scope of TIS Phase IV.

**Summary of the UW System's Preliminary GPR/Fee 2007-09 Cost-To-Continue Request
(in ongoing amounts) follows:**

2005-07 Classified Increases above 2%, 2% and 2.25%	\$6,757,300
Certain Titles in Classified Bargaining Units received increases above the 2%. 2% and 2.5% in the 2005-07 Bargaining Agreements. This item fully funds those increases.	
2006-07 Pay Plan Increases for 75% of April 1, 2007 2.25%	\$20,376,700
The 2006-07 Pay Plan was phased in and the portion paid out on April 1, 2007 will only be paid for three months of 2006-07. For this reason DOA has requested that the remaining 75% be requested as a DIN.	
2004-05 and 2005-06 Craftworker Prevailing Rate Increases Above GWA	\$909,400
This item requests the unfunded balance of the craftworker pay plan for 2004-05 and 05-06 above the amounts approved for non-represented staff based on prevailing rate increases for craftworkers.	
Full Funding of Fringe Benefit Cost Increases	\$31,598,500
This item requests full funding of DOA approved fringe benefit rate changes from the 2005-07 approved rates to the new 2007-09 rates.	
2004-05 and 2005-06 PRAs and DCAs	\$1,848,700
This item requests funding for the 2004-05 and 2005-06 Performance Recognition Awards (PRAs) and Discretionary Compensation Adjustments (DCAs).	
Smith Lever Pay Plan Increases	\$266,700
This item requests funding approved by the Joint Committee on Employee Relations (JCOER) for the difference between the state compensation plan and federally funded compensation for Cooperative Extension Smith Lever funded positions. The state funding is required if the federal government does not provide sufficient funding to cover the federal share of the pay plan for these employees.	
2007-09 Utilities Increases for New Space and the Co-Generation Plant	\$12,720,400
This item requests increases in the university's utilities appropriation for new and expanded facilities. It also includes increases in debt service, operating and maintenance costs of the Co-Generation plant at UW-Madison.	
Increases for Minority and Disadvantaged Financial Aid Programs	\$1,521,000
This item requests increases for financial aid programs at the average increase for graduate and undergraduate tuition in the 2006-07 fiscal year.	
Student Technology Fee Increases	\$1,412,300
This request increases the special technology fee to provide funding for student technology fee initiatives. The special technology fee is a percentage of tuition and increases as general tuition revenue grows.	
Application Fee	\$1,814,100
This item requests an increase in undergraduate and graduate application fees, last increased in 1998.	
Veterans Tuition Grants (request in HEAB)	\$0
Cost-To-Continue Total	\$79,225,100

**Summary of the UW System's 2007-09 Preliminary Program Revenue Request
(in ongoing amounts) follows:**

Projected Increases in Gift Funds	\$24,645,300
Based on historical trend analysis and projected growth, this item provides for growth and cost increases in gift funds based on a 5-year average of percentage increases in budgeted gift funds.	
Projected Increases in Trust Funds	\$1,776,300
This request provides for projected growth and estimated cost increases for Trust Fund income. The 2007-09 projected increases are based on an analysis of budgeted Trust Fund income for the past ten years.	
Projected Increases in General Operating Receipts and Auxiliary Enterprises	\$46,206,900
This budget request increases program revenue spending authority each year of the 2007-09 biennia for programmatic needs of other operating receipts and auxiliary programs based on the estimated three-year average of Wisconsin disposable income per capita of 4.2% per year.	
Increase for Solid Waste Reseach Grants	\$120,000
The request provides an increase in funding for the Solid Waste Research Council to provide additional research grants and to expand the program's undergraduate research component.	
Total Program Revenue Request	\$72,748,500

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Summary of Other Requests

UW-Madison Intercollegiate Athletics	\$7,116,100
The request provides an increase in spending authority for the UW-Madison Division of Intercollegiate Athletics. Athletic expenses represent the costs of 23 intercollegiate athletic programs, University Ridge Golf Course operations, band and spirit squads, and athletic camps.	
State Lab of Hygiene - Implied Consent Drug Testing	\$355,400
The passage of 2003 Wis. Act 97, the "Baby Luke" Law, 346.63(1)(am) has created additional demand for drug testing and expert consultation at the State Lab of Hygiene under the OWI Statutes. This DIN requests increased resources to meet that increased demand.	

Summary of the UW System's 2007-09 Preliminary Program Revenue Request
(in ongoing amounts) follows:

(Continued)

State Lab of Hygiene - Communicable Disease Capacity *	\$586,000
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This request will provide for retaining extensively trained staff, expensive diagnostic reagents and supplies, sophisticated diagnostic equipment maintained through service contracts, and training of and supplies for laboratory partners. These needs recently have been threatened by the loss of Federal CDC Cooperative Agreement funding previously committed.

State Lab of Hygiene - Coroner's Death Investigation Services *	\$206,500
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This request will allow the State Lab of Hygiene to resume its traditional role in providing free services to coroners and Medical Examiners in the areas of forensic toxicology after losing this designated state funding in the 1995-97 biennial budget. The Lab has continued to offer toxicology testing services at no charge since 1995-97, but with fewer staff and with slower response times.

State Lab of Hygiene - Microbial Testing for WI's Coroners & Medical Examiners *	\$226,400
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This request will provide for development and delivery of training, supplies and materials for testing, additional FTE to perform the testing, and new technology needed.

Veterinary Diagnostic Lab - Avian Influenza Testing	\$200,000
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The Veterinary Diagnostic Lab is requesting an increase in their program revenue appropriation as the result of increased Avian Influenza testing in the upcoming biennia.

Total Program Revenue Request	\$8,690,400
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* GPR Funding Request

STATUTORY LANGUAGE CHANGE REQUESTS

1. ASSUMPTION OF CASH MANAGEMENT AND INVESTMENT RESPONSIBILITIES, MANAGEMENT OF CASH BALANCES FOR HIGHER RETURNS, AND RETENTION OF INTEREST ON TUITION BALANCES

The Department of Administration (DOA), via the State Treasurer and Investment Board, currently holds and manages all UW System cash, other than trust funds. While the UW System's auxiliary enterprises and federal financial aid appropriations are credited with interest earnings, tuition and other program revenue balances are not. By maintaining, managing and investing all program revenue balances and employing longer-term and/or more diversified investments where appropriate, the UW System could increase its investment returns. This would be consistent with the operations of other higher educational institutions nationally. The UW System proposes that it reimburse the state for the amount of interest it is now earning on UW appropriations. In addition, the UW System requests that it receive its GPR appropriation in 12 monthly installments, as is the case at other Big 10 institutions.

2. RETENTION OF PROCEEDS FROM THE SALE OF PROGRAM REVENUE OR GIFT BUILDINGS AND LAND

Currently, the proceeds from the sale of state buildings or state land are credited to the Joint Committee on Finance's supplemental appropriation established in s. 20.865(4)(a), Wis. Stats. Under s. 13.101(13)(b), Wis. Stats., if the building or land was used by a single agency, the Joint Committee on Finance may, upon request of the agency, transfer no more than half of the proceeds back to the agency.

Many parcels of land held by the Board of Regents were received as gifts or purchased using campus funds, such as parking revenues or student user fees. The Board of Regents seeks authority to retain and reinvest all of the proceeds from the sale of buildings or land acquired or built with program revenue or donated funds. Currently, if the UW System were to sell a facility funded through program revenue, it would lose its initial investment, adversely affecting the budget of the related auxiliary. If the UW System were to sell gift property, it would lose the value of the donor's gift. It is logical that the proceeds from the sale of such properties be retained to be used to support university programs, preventive building maintenance and other operating costs.

3. ELIMINATION OF TWO REPORTS PREPARED BY UW MEDICAL SCHOOL AND THE MEDICAL COLLEGE OF WISCONSIN

This proposal would eliminate the following two biennial reports: medical school enrollments and graduate placement and the financial summaries of the UW Medical School and the Medical College of Wisconsin. There is no evidence that

the Legislature or the Executive Branch utilizes these reports and their preparation is time-consuming for members of the medical school staff.

4. SALES TAX EXEMPTION FOR DONATIONS FOR PREFERENTIAL SEATING AT UW SYSTEM SPORTING EVENTS

The UW System recommends a modification to Wis. Stats. 77 to exempt from state sales tax those donations made for preferred seating at certain university athletic events. The change does not seek to exempt actual ticket or luxury suite sales from the sales tax. The exemption proposed, which currently applies to the Green Bay Packers, would apply to ticket sales for certain athletic events at UW-Madison, UW-Milwaukee, UW-Green Bay, Marquette University and other colleges and universities. The Department of Revenue and the Governor are also supportive of this change.

Although a percentage of these donations are already deductible for the purposes of state and federal income taxes, as a result of a Department of Revenue audit, they do incur state sales tax. This has had a negative financial impact on the UW-Madison Athletic Department which receives no GPR dollars and which estimates an unbudgeted required payment of nearly \$400,000 in the first year as a result of this ruling. In addition, the university system is concerned that with a sales tax applied to donations to Athletics, other donors might have concerns about the future tax deductibility of donations to other endeavors.

TECHNICAL CORRECTIONS

1. BROADEN PROGRAM REVENUE POSITION CREATION AUTHORITY: EXTEND NON-GPR POSITION AUTHORITY TO SERVE PAYING CLIENTS PROMPTLY

Section s.16.505(2m), Wis. Stats., gives the UW System authority to create positions funded by a number of program revenue funded appropriations without the approval of the Governor or the Joint Committee on Finance. This proposal would extend this position creation authority to additional program revenue appropriations and to positions funded by academic student fees, without being limited to those generated by increased enrollment or from courses for which the academic fees or tuition charged equals the full cost of offering the courses. This would treat tuition funded positions in a manner in keeping with the other PR appropriations.

Position creation through DOA or legislative approval can take a significant amount of time. Current law relating to position creation prevents institutions from responding to workload and program changes in a timely way to meet the needs of students and other UW clients who are paying for services. This proposal would enable the university to address changing needs quickly.

2. INCREASE IN FEES FOR SPECIALTY LICENSE PLATES AND BROADEN THE SCHOLARSHIP PROGRAM TO INCLUDE UW COLLEGES

The UW System requests legislation to permit an increase in the donation fee assessed for specialty university license plates and to include the UW Colleges in this program. Current statutes permit the Department of Transportation to issue special license plates for all four-year campuses of the UW System. At present, an annual fee of \$20 is assessed for these plates. These funds serve as a donation to the financial aid program of the respective institution. The UW System wishes to assure that this fee will increase as application fees for other specialty license plates increases. The UW System also requests a change to s. 341.14(6r), Wis. Stats., to allow the UW Colleges to be represented in this program as well, to increase funding available for scholarships for UW Colleges' students.

3. CHANGING THE PROGRAM REVENUE APPROPRIATIONS FOR LABORATORY MODERNIZATION AND SCHOOLS OF BUSINESS TO CONTINUING APPROPRIATIONS

The UW System recommends a modification of the appropriations for laboratory modernization [s. 20.285(1) (Lm)] and the schools of business [20.285(1)(Ls)] to create continuing appropriations. Both of these appropriations are funded with academic student fees which is a continuing appropriation. The current lack of flexibility in these appropriations creates difficulties for programs supported with these resources as the timing of projects (especially for laboratory modernization) and of funding matches can delay construction and expenditure.

4. CHANGE UNIVERSAL SERVICE FUND LEGISLATION TO ALLOW UW TO PAY BADGERNET SERVICE PROVIDERS DIRECTLY

The UW System recommends a modification to the Universal Service Fund language that provides funding to pay the Department of Administration for telecommunications services provided under s. 16.972(1) to the campuses of the University of Wisconsin System at River Falls, Stout, Superior and Whitewater.

The business model of the new BadgerNet Converged Network is fundamentally different from that of the original BadgerNet and requires payment directly to the service provider. Therefore the following change is proposed to allow the UW to continue to use the Universal Service Fund to help pay the bills:

“To pay the **BCN* service providers** for telecommunications services provided under s. 16.972(1) to the **campuses of the University of Wisconsin.**”

*BCN stands for BadgerNet Converted Network

5. GIFT CERTIFICATE PROGRAM – TECHNICAL CHANGES

2005 Act 77 authorizes the University of Wisconsin System to implement a gift certificate program for nonresident tuition and academic fees. In order to establish the most efficient and effective program, the University of Wisconsin System requests minor technical amendments to the present statutes.

- Section 36.53(2)(b) should be modified, as follows, to reflect the fact that funds for study-abroad programs are appropriated to 20.285(1)(h), not 20.285(1)(im):

All moneys received by the board from the sales of gift certificates under this section shall be credited to the appropriation account under s. 20.285(1)(im) or (1)(h) as appropriate.

- In order to make our program comparable to other existing gift certificate programs (which permit transferability), Section 36.53(1)(b) should be repealed.
- Finally, the allowable processing fee for each gift certificate should be expanded to include the costs of shipping and handling. Section 36.53(2)(a) should be amended to read:

The board may charge no more than the actual ~~processing~~ processing, shipping and handling costs of processing, shipping and handling as a fee for each sale of a gift certificate.

C. 2007-09 BIENNIAL CAPITAL BUDGET REQUEST



2007-09 CAPITAL BUDGET RECOMMENDATIONS

Overview

The 2005-07 Capital Budget represented a solid investment by the State of Wisconsin in UW System facilities. The final budget included approximately \$150,000,000 in General Fund Supported Borrowing (GFSB) for UW Major Projects and \$128,000,000 of GFSB of All Agency funds for maintenance, repair, and renovation. Major Projects are those individually enumerated in the statutes. All Agency funds are enumerated as a lump sum with the individual projects recommended by the UW System and approved by the Board of Regents and state Building Commission. Additionally, the budget included approximately \$170,000,000 Program Revenue Supported Borrowing (PRSB) for Major Projects and \$24,000,000 PRSB for All Agency projects.

During deliberations on the 2005-07 Capital Budget, the Division of State Facilities staff developed and presented to the state Building Commission a six-year plan for Major Projects funded with General Fund Supported Borrowing. The plan recommended enumerations for the 2005-07 biennium and some advance enumerations for the two subsequent biennia. The plan also identified priority projects for advance planning in 2005-07 with enumeration sought in 2007-09. While the Building Commission supported advance planning, they did not guarantee enumeration. The 2007-09 Capital Budget instructions from the Department of Administration included this statement from Secretary Bablitch. *Given continuing budget pressures and the state's policy to limit debt service between 3.5% and 4.0% of statewide General Purpose Revenue (GPR) expenditures it is unlikely that major projects requiring GFSB that were not included in the statewide Six-Year plan reviewed by the Commission will be included in the 2007-09 recommendations.* This instruction serves as the "Maximum Request Guideline" issued by DOA in the last biennium.

This Capital Budget recommendation accomplishes the following:

- Adheres to the funding target for the UW System established by the Division of State Facilities' six-year plan presented to the Wisconsin State Building Commission.
- Constructs and renovates academic space on every UW System campus for teaching and research.
- Renews and improves 17 student life facilities at nine institutions enhancing the student experience.
- Funds seven priority projects that were not funded in the 2005-07 capital budget.
- Establishes a plan to complete the priority projects requested in 2005-07 Capital Budget for advance planning.
- Continues a commitment to maintaining existing facilities and reducing backlog maintenance.

**2007-09 Capital Budget Recommendation
Funding Summary**

<u>Major Projects</u>	GFSB	Gift/Grants	PRSB
New Major Projects using GFSB	\$135.1	\$45.6	\$5.9
New Major Projects without GFSB		\$59.3	\$234.6
Advance Enumerations from 2005-07	\$129.1		\$27.8
<u>All Agency Funds</u>			
Maintenance/Repair/Renovation	\$130.0		\$25.0

**2009-11 Advance Enumeration Recommendation
Funding Summary**

<u>Major Projects</u>	GFSB	Gift/Grants	PRSB
New Major Projects using GFSB	\$108.8	\$2.0	\$8.2
Existing Advance Enumerations from 2005-07	\$28.3		\$27.8

The 2005-07 Capital Budget funded 13 of the UW System's 20 prioritized projects, in whole or in part, or by advance enumeration. Seven high priority projects were not funded, but remain critical to UW System institutions. Because accomplishing these seven projects were not included in planning framework presented to the state Building Commission by the Division of State Facilities (DSF), this capital budget request recommends funding five of these carryover projects from the All Agency maintenance fund. Specifically, it is recommended that these five projects be itemized within the All Agency allocations. These projects are appropriately funded from the All Agency budget for maintenance, repair, and renovation because they construct zero or little new space and address significant backlog maintenance.

This capital budget recommendation also includes a plan to accomplish major projects that have been waiting for several biennia. The plan enumerates seven major academic facilities in 2007-09 with the GFSB spread over two biennia and will accomplish all but one project from the Board of Regents 2005-07 Capital Budget Priority List. Funding for the seven projects would utilize the \$105,000,000 GFSB in 2007-09 specified by DSF toward the first four projects already in planning and \$108,762,000 GFSB in 2009-11.

This funding method would create a more seamless four-year budget for projects allowing them to move forward by accessing the amount of funding needed in the first biennium with complete funding in the following biennium. Another advantage is that these seven projects bring a total of \$45,576,000 in matching gifts funds.

However, this plan would commit \$137.1 M in advance enumerations for 2009-11 including \$28.3 M for UWM – Columbia St. Mary's.

2007-09 Capital Budget Recommendation GFSB Major Projects

		2007-09				2009-11		
Inst	Project Name	Total Cost	GFSB	Gift/Grants	PRSB	GFSB	Gift/Grants	PRSB
ADVANCE ENUMERATIONS (alpha order)								
MSN	Biostar IV - WI Institute for Discovery (WID)	\$31,000,000	\$31,000,000					
MSN	University Square Redevelopment	\$39,850,000	\$39,850,000					
MSN	Sterling Hall Renovation	\$20,000,000	\$20,000,000					
MIL	Columbia/St. Mary's Hospital	\$112,165,000	\$28,265,000		\$27,800,000	\$28,300,000		\$27,800,000
PLT	Tri-State Initiative (Engineering)	\$10,000,000	\$10,000,000					
Sub-Totals:		\$213,015,000	\$129,115,000	\$0	\$27,800,000	\$28,300,000	\$0	\$27,800,000
2005-07 CARRYOVERS (in 2007-09 Priority Order)								
STO	Harvey Hall Renovation - Phase I Theater*	\$5,139,000	\$5,139,000					
OSH	Elmwood Center Remodeling*	\$8,464,000	\$8,464,000					
GBY	Rose Hall/Wood Hall Remodeling*	\$6,734,000	\$6,734,000					
MIL	Physics Building North Wing Remodeling*	\$3,969,000	\$3,969,000					
STP	Military Science Relocation	\$1,585,000	\$1,585,000					
STP	Maintenance and Materiel Remodeling/Addition	\$2,122,000	\$2,122,000					
OSH	Facilities Maintenance Relocation/Acquisition*	\$6,296,000	\$5,946,000		\$350,000			
	*All Agency Total		-\$30,272,000					
Sub-Totals:		\$34,309,000	\$3,687,000	\$0	\$350,000	\$0	\$0	\$0
SYSTEMWIDE PROGRAM PROJECTS								
SYS	Utility Improvements	\$24,704,000	\$19,889,000		\$4,815,000			
SYS	Classroom Renovation/IT Improvements	\$6,500,000	\$6,500,000					
Sub-Totals:		\$31,204,000	\$26,389,000	\$0	\$4,815,000	\$0	\$0	\$0
TWO BIENNIA ACADEMIC CLASSROOM PROGRAM								
SUP	Academic Building	\$31,143,400	\$24,143,400	\$7,000,000				
LAC	Academic Building	\$34,200,000	27,500,000	6,000,000	\$700,000			
PKS	Communication Arts Renovation & Addition	\$34,176,000	\$32,100,000	\$2,076,000				
OSH	Academic Building	\$48,000,000	\$40,000,000	\$8,000,000				
	05-07 Academic Building Shortfall		-\$18,743,400			\$18,743,000		
EAU	Education and Student Services Building	\$35,145,000				\$35,145,000		
MSN	Human Ecology Addition & Renovation	\$47,950,000		\$22,500,000		\$22,500,000		\$2,950,000
RVF	Health/Human Performance/Recreation Building	\$39,588,000				\$32,374,000	\$2,000,000	\$5,214,000
Sub-Totals:		\$270,202,400	\$105,000,000	\$45,576,000	\$700,000	\$108,762,000	\$2,000,000	\$8,164,000
Totals		\$548,730,400	\$264,191,000	\$45,576,000	\$34,365,000	\$137,062,000	\$2,000,000	\$35,964,000

General Fund Supported Borrowing Major Projects

In Priority Order

Project	Rank in Group	GFSB Funding	GFSB Cumulative Total
University Square		\$39.8	\$39.8
Sterling		\$20.0	\$59.8
WI Institute for Discovery		\$31.0	\$90.8
Milwaukee - Columbia		\$28.3	\$119.1
Platteville - Tri State Init.		\$10.0	\$129.1
Utilities		\$20.0	\$149.1
Classrooms		\$6.5	\$155.6
Superior - Academic	1	\$24.1	\$179.7
La Crosse - Academic	2	\$27.5	\$207.2
Parkside - Academic	2	\$32.1	\$239.3
Oshkosh - Academic	4	\$40.0	\$279.3
Stevens Pt. - Military Science	5	\$1.6	\$280.9
Stevens Point - Maintenance	6	\$2.1	\$283.0
Planning Shortfall (2009-11)		-\$18.7	\$264.3

All Agency Funded

Stout - Harvey Hall Theater	1	\$5.1	\$5.1
Oshkosh - Elmwood	2	\$8.5	\$13.6
Green Bay - Rose Wood Halls	3	\$6.7	\$20.3
Milwaukee - Physics	4	\$4.0	\$24.3
Oshkosh - Facilities Bldg. Reloc.	5	\$6.0	\$30.3

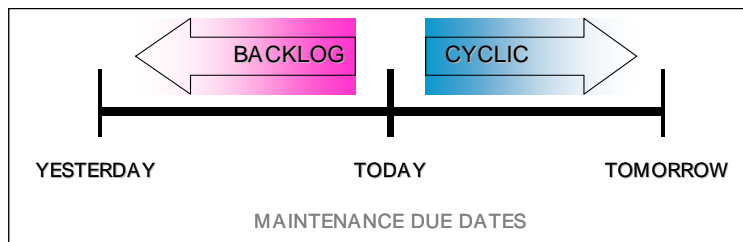
2007-09 Program Revenue and Gift-Funded Major Project Recommendations

Inst		Project Name	Total Cost	GFSB	Gifts/Grants	PRSB
EXT	2007-09	Lowell Hall Guestroom Remodeling	\$3,600,000			\$3,600,000
LAC	2007-09	Stadium and Fields	\$14,600,000	\$600,000	\$11,500,000	\$2,500,000
MSN	2007-09	Parking Ramps Expansions Lots 36 and 46	\$7,132,000			\$7,132,000
MSN	2007-09	Chadbourne and Barnard Halls Renovation	\$7,823,000			\$7,823,000
MSN	2007-09	Lakeshore Residence Hall Development - Phases I and II	\$67,815,000			\$67,815,000
MSN	2007-09	Music Performance Building	\$43,865,000		\$43,865,000	
OSH	2007-09	Softball Stadium	\$500,000		\$500,000	
OSH	2007-09	Residence Hall - Oshkosh	\$34,000,000			\$34,000,000
PKS	2007-09	Union Parking Lot Reconstruction/Expansion	\$1,173,000			\$1,173,000
RVF	2007-09	Field South Fork Suites Additions	\$14,586,000			\$14,586,000
STP	2007-09	Residence Hall - Stevens Point	\$36,205,000			\$36,205,000
STP	2007-09	Residence Halls Renovation	\$19,995,000			\$19,995,000
STO	2007-09	Price Commons Second Floor Renovation	\$2,713,000			\$2,713,000
WTW	2007-09	Drumlin Dining Hall Renovation	\$1,275,000			\$1,275,000
WTW	2007-09	Residence Hall - Whitewater	\$33,300,000			\$33,300,000
WTW	2007-09	Multi Sport Complex - Phase II	\$5,886,000		\$3,436,000	\$2,450,000
Totals:			\$294,468,000	\$600,000	\$59,301,000	\$234,567,000

MAINTENANCE FUNDING FOR 2007-09

Several factors influence the university's biennial maintenance needs, including: cyclic life, age and size of physical plant, capital maintenance and renewal funding levels, operational maintenance staffing and the condition of the physical plant inventory. As these factors evolve and change, the university's funding recommendations respond accordingly. The factors influencing the university's maintenance needs are summarized into two categories, cyclic maintenance and maintenance backlog.

Cyclic Maintenance represents future maintenance need. As capital assets reach the end of their useful lives, if those items are not repaired or replaced, they are classified as maintenance backlog.



Maintenance Backlog represents the current maintenance need. It is not only acceptable, but expected that the university will always have some level of maintenance backlog to address.

Addressing the most maintenance in the shortest time frame possible has the lowest long term cost. Since limited funding is available, it is critical the university address its most pressing maintenance needs in a timely and responsible fashion. This has led to the current approach to capital budget planning.

Maintenance Planning: Understanding the maintenance issues facing the university is paramount to managing and planning solutions. The university no completes a documented long range maintenance plan at each institution, integrated into the long range building development plans. This comprehensive planning approach provides facilities supporting our educational mission. This approach ensures proposed projects address relative backlog and cyclic maintenance issues in the context of functional and programmatic issues. Projects developed from sound functional and maintenance perspectives are unlikely to prematurely undo or redo the same work again.

2007-09 GPR MAINTENANCE FUNDING PLAN

Based on the cyclic life data and recent physical plant condition assessments, it is recommended UW System's maintenance approach for 2007-09 include All Agency funds sufficient to fund the most pressing maintenance needs (\$130,000,000 All Agency Funds). The funding received will be applied to the maintenance and renovation needs based on relative priority, logical sequence in relation to pending major projects, and overall project impact. Projects will be developed for the repair and renovation of facilities and utility systems, as well as projects related to health, safety and environmental protection.

All Agency Funds Needed in 2007-09 \$130,000,000 Maintenance and Remodeling

2007-09 Capital Budget

Major Project Descriptions

Funding Sources

GFSB-General Fund Supported Borrowing
 PRSB-Program Revenue Supported Borrowing

Gifts-Gift and/or Grant Funds
 BTF-Building Trust Funds

Advance Enumerations

(Enumerated in 2005-07 with funding available 7/01/07)

- | | | |
|----------------------|--|--------------------------|
| 1. UW-Madison | University Square Redevelopment
(\$17,000,000 PRSB 2005-07 +
\$39,850,000 GFSB 2007-09 = \$56,850,000)
229,779 GSF New Space
(of 1,104,656 GSF total development) | \$39,850,000 GFSB |
|----------------------|--|--------------------------|

Construction of the University Square Redevelopment by Executive Management, Inc. (EMI), a private developer, began mid-June 2006. This condo arrangement will provide consolidated clinical, counseling, and administrative offices for University Health Services; a visitor center; offices for the bursar, registrar, Student Financial Services, and a student activities center. The retail spaces, parking ramp, and student housing will remain under private ownership. Occupancy of the university office tower is anticipated in December 2008.

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| 2. UW-Madison | Sterling Hall Renovation
(\$17.5 million GFSB 2005-07 + \$2.0 million Gifts +
\$20.0 million GFSB 2007-09 = \$39.5 million)
161,100 GSF Remodeling | \$20,000,000 GFSB |
|----------------------|--|--------------------------|

The Chamberlin Hall Renovation project will consolidate Physics at Chamberlin and enable renovation of Sterling Hall for the departments of Astronomy and Psychology. All space in Sterling Hall, with the exception of the nuclear accelerator space, will be renovated, and a new AAALAC-accredited vivarium will be constructed on the lower level. Once Psychology relocates into Sterling Hall, the Brogden Psychology building will become available for re-use until it is demolished to site a future phase of WID.

This amount of GFSB was included in the 2005-07 Capital Budget but was deferred by UW-Madison to reduce overall borrowing.

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| 3. UW-Madison | WI Institute for Discovery – BioStar IV
(\$19.0 million GFSB 2005-07 + \$100,000 Gifts/Grants +
\$31.0 million GFSB 2007-09 = \$151.0 million)
300,000 GSF New Space | \$31,000,000 GFSB |
|----------------------|--|--------------------------|

This project will construct the first phase of the Wisconsin Institute for Discovery (WID) and the fully gift-funded Morgridge Institute for Research. The two research institutes will be constructed with a combination of public and private dollars and will operate separately while providing opportunities for collaboration. The design and construction of both institutes must be done concurrently because their academic and research functions are interrelated. As a condition of the gifts, construction will be managed by WARF as the developer. Upon completion, the public institute will be turned over to UW-Madison for operation, while operations for the Morgridge Institute for Research will be privately supported. This initiative provides a home for existing faculty interdisciplinary programs specializing in basic research that offers relevant discoveries to researchers in the Medical School's Interdisciplinary Research Complex and a smooth transition from basic discovery, to medical development, to clinical trials. The WID and Morgridge Institute for Research facilities will strengthen the state's leadership position in science and technology and promote the state economy with new jobs and investments.

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| 4. UW-Milwaukee | Columbia/St. Mary's Hospital
\$28,265,000 GFSB 2007-09 + \$27,795,000 PRSB +
\$28,265,000 GFSB 2009-11 + \$27,795,000 PRSB =
\$112,120,000 | \$28,265,000 GFSB
<u>27,795,000 PRSB</u>
\$56,060,000 Total |
|------------------------|--|--|

Columbia-St. Mary's Hospital (CSM) will build a new replacement facility for both hospitals on another site in Milwaukee with completion targeted for 2009-11. The immediate adjacency of CSM to the UW-Milwaukee campus provides a rare opportunity to acquire contiguous property for a major campus expansion. Acquisition of this property and reconstruction will address long-standing deficiencies in on-campus housing and parking as well as unmet space needs for instruction, student services, and research activities.

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| 5. UW-Platteville | Tri-State Initiative (Engineering)
\$10,000,000 GFSB 2005-07 + \$23,100,000 PRSB
2005-07 + \$7,515,000 Gifts/Grants + \$10,000,000
GFSB 2007-09 = \$50,615,000
108,100 GSF New Space | \$10,000,000 GFSB |
|--------------------------|---|--------------------------|

This project will construct a new Engineering Building to accommodate the College of Engineering, Mathematics, and Science (EMS); technology-based programs in the College of Business, Industry, Life Sciences and Agriculture (BILSA); and new programs of Micro-Electro-Mechanical Systems (MEMS) and Bio-Medical Engineering. Although engineering space has been expanded in Ottensman Hall, that building is no longer adequate to support the growth that has occurred and the changes in engineering programs that have evolved into areas of higher technology. Approximately 22 labs, nine classrooms, and 32 faculty offices will address current and projected enrollment growth, all as part of the Tri-State Initiative.

Two Biennia Enumerations for Academic Buildings

The first four projects (in priority order) were approved for advance planning)

1. UW-Superior	Academic Building	\$24,143,000 GFSB
	145,000 GSF New Space + 3,000 GSF	1,200,000 BTF
	Greenhouse addition to Barstow Science Bldg	<u>7,000,000 Gifts</u>
		\$32,343,000 Total

This project will construct a new academic building to replace substandard classrooms throughout campus and provide replacement space for Sundquist Hall (converted residence hall) and McCaskill Hall (former campus school), both of which will be demolished as part of this project. An instructional greenhouse will also be constructed as an addition to the Barstow Science Building. Ten departments will move from Sundquist Hall, McCaskill Hall, and Old Main into this new building. This project is necessary as the first step of a long-range plan to replace deficient classrooms and improve computer labs, provide relief to overcrowded areas, efficiently consolidate functions, and eliminate deficient facilities and the associated backlog maintenance.

2. UW-La Crosse	Academic Building	\$27,500,000 GFSB
	156,500 GSF New Space	6,000,000 Gifts
		<u>700,000 PRSB</u>
		\$34,200,000 Total

A new academic building will be constructed to addresses critical campus-wide building space issues. Three old residence Halls—Baird, Trowbridge, and Wilder (now used for administrative functions) will be demolished to create the site. New general access classrooms will replace deficient classrooms that are scattered throughout the campus and will provide the quantity and quality of general assignment classroom space required for instruction. Various academic and student services departments will relocate into this new building, including Communication Studies, International Studies, and Military Science. Computer labs will be developed for program and student use, and a serving kitchen and a storage area will accommodate gatherings for international students and associated organizations and families in the English as a Second Language program.

3. UW-Parkside	Communication Arts Renov. & Addition	\$32,100,000 GFSB
	48,200 GSF Addition and	<u>2,076,000 Gifts</u>
	79,600 GSF Remodel	\$34,176,000 Total

This addition and remodeling project will address a significant deficit in the quantity and quality of instructional lab space for the fine arts that was identified as the most pressing space issue in a 2001 comprehensive space use assessment. The addition and renovation in the Communication Arts Building will provide space for the fine arts and modern classrooms. This project also will complete the relocation of 3-D Art programs (sculpture, ceramics, and fibers/metals lab) to renovated space in Molinaro Hall. Music, Theatre Arts, and 2-D Art programs will be reconfigured and expanded within the Communication Arts Building, and a multi-purpose choral rehearsal/recital space for music will be constructed.

Instructional

4. UW-Oshkosh	Academic Building	\$40,000,000 GFSB
	203,200 GSF New Space	\$ 8,000,000 Gifts
		\$48,000,000 Total

This project will construct a new academic building to house the offices and associated lab spaces for the College of Business Administration, the College of Letters & Science departments of Economics, Geography, & Urban Planning, History, Journalism, Political Science, Psychology, Sociology and programs of Environmental Studies, International Studies and Women's Studies. In addition, a PC computer teaching classroom and general access open lab will be included as well as student study spaces; a faculty/staff lounge; 44,422 ASF of general access classrooms, and various support spaces for the building occupants.

Technology Support will be relocated from Communication Arts to available space in Wyllie Hall, opening up space in Communication Arts for use by arts programs. Also included will be an improved entrance; an extension of the internal campus concourse system into the new space; construction of an exterior sculpture/ceramics laboratory; and renewal and updating of building systems, equipment, furnishings, and finishes.

5. UW-Eau Claire	Education & Student Services Building - Planning	\$35,145,000 GFSB
	149,000 GSF New Space	464,000 BTF
		\$35,609,000 Total

This project will construct a building to replace space in the Campus School, which will be demolished as part of this project, and Brewer Hall, which will be demolished in the future. The building will replace deficient instructional space in the Campus School and Brewer Hall currently occupied by the School of Education, and will move the Department of Psychology from Hibbard Hall, freeing up space there to relieve overcrowding in the College of Arts and Sciences. This project also consolidates Student Development and Diversity offices from scattered locations into this facility, and replaces deficient general assignment classrooms. It is the first step in a long-range plan to eliminate deficient facilities, relieve overcrowding, and consolidate functions.

6. UW-Madison	Human Ecology Addition & Renovation - Planning	\$22,500,000 GFSB
	80,000 GSF	2,950,000 PRSB
		22,500,000 Gifts
		\$47,950,000 Total

This project will construct an addition to the School of Human Ecology Building (SoHE). The addition is constructed on the site of the existing Preschool Laboratory and Human Development and Family Studies Building. These structures are demolished as part of this project. The building addition is linked to the existing building. This project allows three of the school's departments to be programmed with contiguous accommodations for faculty, departmental, instructional, and project assistant staff offices. Further, special teaching environments associated with each department can be co-located with the other main functions of the department.

7. UW-River Falls	Health/Human Performance/ Recreation - Planning	\$32,374,000 GFSB
		5,214,000 PRSB
	185,700 GSF Addition + 8,100 Remodeling	<u>2,000,000</u> Gifts
		\$39,588,000 Total

This project will construct an addition to the Hunt/Knowles complex to house the Health and Human Performance programs that are currently located in the Karges Physical Education Center, the Nelson Building, and the Hunt/Knowles complex. Space in the Hunt/Knowles complex will be remodeled as necessary to support the addition, and upgrading will be done in the complex to renew backlog maintenance. In addition to being housed in scattered locations, the space now being used in Karges and Nelson is deficient in quantity and quality, and not capable of being renovated to meet current needs. This space will be demolished after the construction of the addition. The existing parking lot will be expanded by 230 spaces in order to support the new building. The current project scope is the result of careful investigation of a number of alternatives. This alternative has been shown to be the most cost effective proposal that could meet the program needs.

Carryover Projects (Unfunded 2005-07 Priorities)

1. UW-Oshkosh	Elmwood Center Remodeling and Addition for Student Support Services	\$8,464,000 GFSB
	31,400 GSF Remodeling	
	4,500 GSF New Space	

This project will completely remodel the entire Elmwood Commons facility to house a new Student Support, Development and Referral Center. Remodeling will provide typical offices for combined functions of student advising, counseling services, career services and a new referral unit to help students access the satellite support services on campus, such as specialized tutoring. Work will also renovate and upgrade utility systems, such as, plumbing, HVAC and electrical. The building has not been remodeled or renovated since it was originally constructed 36 years ago as the first food service commons on the campus. Elmwood was vacated due to consolidation of all board dining services into another facility. Once the project design is underway, the A/E team may find the cost benefit of new construction may outweigh the cost of remodeling plus an addition.

2. UW-Green Bay	Rose Hall/Wood Hall Remodeling	\$6,734,000 GFSB
	36,848 GSF Remodeling	

This project is the third step in a sequence of projects, following construction of Cofrin Hall and the Lab Sciences project, to provide the minimum amount of space needed to solve all significant building space issues on campus. Work will consist of extensive interior demolition and remodeling of significant portions of office and classroom space. Rose Hall will accommodate campus administrative offices, which will relocate from the seventh and eighth floors of the Cofrin Library. Wood Hall will accommodate the offices of the academic program in Social Work; the NEW Partnership for Children and Families, which provides training and continuing education for social services professionals; the Office of Outreach and Adult Access; and the Phuture Phoenix community partnership program. Classroom spaces, corridors, and lounges will be reconfigured to create four to six new classrooms that meet current occupancy codes, improve efficiency and sightlines, and change aspect ratios.

3. UW-Stout	Harvey Hall Renovation - Phase I Theater	\$5,139,000 GFSB
	12,000 GSF Remodeling	

This is the first of two projects that will renovate and upgrade the building infrastructure and remodel space to renew the service life and functionality of 90-year old Harvey Hall, which is listed on the National Register of Historic Places. Phase I will upgrade the theater, support spaces, and related infrastructure including accessibility improvements; ventilation, electrical, plumbing, and furnishing upgrades; seating replacement; asbestos abatement; and lead paint removal. The current theater and support space is outdated and has deteriorated to the point that the theater, which is the only one on campus, cannot support the arts courses that use that space, and thus gets very little use. A future project will be requested to address the remainder of the building infrastructure. Harvey Hall is the second oldest building on the main campus and is expected to continue as an intensively used academic building for the foreseeable future.

4. UW-Stevens Point	Military Science Relocation	\$1,585,000 GFSB
	8,560 GSF Addition + 1,620 GSF Remodeling	

This project will construct two additions and remodel space to enable relocation of the Military Science Department from the Park Student Services Center (SSC) to the Health Enhancement Center. One addition will provide offices, support space, a classroom, lab, and storage. The second addition will replace an old, pre-fabricated metal storage building. The relocation of Military Science will provide suitable space and release space in the SSC for partial reassignment of Nelson Hall occupants. Nelson Hall is a 90-year-old former student residence hall that is structurally sound but has antiquated building systems. The state will not support renewal of this facility, and the high probability of building systems failures may force a building shut-down.

5. UW-Milwaukee	Physics Building North Wing Renovation 16,400 GSF Remodeling	\$3,969,000 GFSB
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This project will renovate the 1966 north wing to provide a completely refurbished instructional facility. The first floor north wing general assignment tiered lecture halls seating 128, 130, and 252 persons will be refurbished and upgraded. Asbestos-containing floor tile will be removed, and new seating, lighting, audio-visual equipment, fixed equipment, ceiling, wall and floor finishes, and ADA accessibility will be provided. In addition, the 65-seat Manfred Olson Planetarium, which serves community outreach activities, will be refurbished and upgraded, including supplementary project, sound equipment, and an ambient lighting system. All of the project surfaces of the dome will be cleaned, and the walls will be repainted. Mechanical systems will be updated and emergency exits and restroom improvements will be made.

6. UW-Stevens Point	Maintenance and Materiel Remodeling and Addition 10,775 GSF Additions + 10,300 ASF Remodel	\$2,122,000 GFSB
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Additions to and remodeling of the Maintenance & Materiel Building are needed to meet organizational, safety, and space needs. A north-end addition will provide the equipment storage needs of the Grounds Department for front-end loaders, lawnmowers, seeders, trucks, etc. An addition at the southwest corner will provide a new electrician shop, welder shop, and a painter/carpenter/welder materials transfer-loading area. Secure storage space will be available to locksmiths, and irreplaceable building plans and specifications will be protected. The project also will provide expansion of the central receiving dock, repair of the building's mechanical system, and installation of safety equipment such as eye wash stations.

7. UW-Oshkosh	Facilities Maintenance Relocation/ Acquisition 65,400 GSF Building/Land Acquisition	\$5,946,000 GFSB <u>350,000 PRSB</u> \$6,296,000 Total
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This is a substitute carryover project for the 2005-07 AxelTech Facilities Management Remodeling project since the AxelTech property has not been acquired. This project will provide acquisition of a remodeled, former grocery store to enable the relocation of the Facilities Maintenance operation, Central Stores, Document Services and Postal Service departments. Currently, the UW Oshkosh Foundation has a five-year lease agreement with a purchase option for this building. The large parking lot will continue to be used by parking services to address residence hall long-term parking needs. The existing Facilities Management building will be demolished to create a site for the proposed new academic building.

Systemwide Program Projects

1. UW System	Classroom Renovation/Instructional Technology Improvements	\$6,500,000 GFSB
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This proposal will continue a major University of Wisconsin System initiative which was started in 1995-97 to upgrade the physical condition and instructional capabilities of facilities to address the multi-faceted educational needs of the 21st century. UW System facilities contain 1,570 general assignment classrooms, encompassing almost 1.4 million square feet of space, excluding UW College facilities. The vast majority of these essential instructional spaces have not been updated since construction. A 2006 survey of all general assignment classrooms indicates that thirty-six percent require some degree of remodeling and thirty-four percent do not contain the desired level of technology. The overall magnitude of classroom deficiencies is estimated at approximately \$40 million. Preliminary cost estimates for classroom projects that the institutions requested to implement during 2007-09 total \$10.4 million. Another \$1 million is needed to enable UW-Madison to continue in-building data wiring as part of their 21st Century-Phase III project.

2. UW System	Utility Improvements	\$19,889,000 GFSB
		<u>4,815,000 PRSB</u>
		\$24,704,000 Total

This project will construct two utility projects at one UW System campus as follows:

UW-Madison (\$16,009,960 GFSB + \$3,975,050 PRSB = \$19,985,010) The East Campus Utility Improvements project will construct new utility distribution systems to the east side of campus for facilities currently in planning or construction. The two major components of this project are the East Campus Pedestrian Mall Utility Corridor and the Northeast Utility Connection. A tunnel (for heating/cooling, condensate piping, compressed air, chilled water), utility systems, and an electric/signal duct bank are included. The design of all utility components will be accomplished as one coordinated effort, but implementation will be staged to take advantage of the excavation and restoration caused by capital projects, such as the Ogg Hall Demolition, the University Square Redevelopment, and the Chazen Museum Addition.

UW-Madison (\$3,879,000 GFSB + \$841,000 PRSB = \$4,720,000) The Utility Project, Phase I will extend campus utilities from the utility corridor in Observatory Drive to the west lakeshore residence hall and food service development. The new utility corridor extends north from Observatory Drive along the east side of the Natatorium to the existing utility corridor located just north of Goodnight Hall and the Friedrich Center. Steam, steam condensate, chilled water, electrical and telecommunication lines will be extended to provide increased utility capacity for existing and new facilities. Construction of a new roadway over the top of the utility corridor is included.

Non-GPR Major Projects

(In alphabetical order)

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| 1. UW-Extension | Lowell Hall Guestroom Remodeling | \$3,600,000 PRSB |
| | 28,000 GSF Remodeling | |

This project will renovate existing office space and associated common corridors into 52 new guestrooms at the Lowell Center, one of the UW-Extension Conference Center facilities. The proposed work is confined to portions of four floors of the existing building and includes new and/or renovated bathrooms for each guestroom, finishes, heating and ventilation, electrical and plumbing upgrades as necessary.

The UW-Extension Conference Center operations are currently housed in three different locations: Lowell Center, Pyle Center, and the Friedrich Center. This remodeling project will allow for the consolidation of conference operations into two facilities that will be geographically located closer together (Pyle Center and Lowell Hall). The consolidation is expected to reduce operating inefficiencies, duplication, operational costs, and space and equipment redundancy.

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|------------------------|-----------------------------|----------------------------------|
| 2. UW-La Crosse | Stadium & Fields | \$11,500,000 Gifts |
| | 41,000 GSF New Space | 2,500,000 PRSB |
| | | <u>600,000</u> All Agency |
| | | \$14,600,000 Total |

This project consists of the demolition of the existing stadium structure, running track, and stadium lighting system, and the construction of a new 10,000 seat stadium complex, an artificial playing surface football field, a nine-lane rubberized competition running track and area for field events, and a new stadium lighting system. It will also include the relocation of all the exterior natural turf competition, practice, and recreation fields, the installation of lighting systems related to those fields, and the construction of permanent seating for the competition soccer field. The project will add approximately 41,000 GSF of space under the stadium for classrooms, locker rooms, training rooms, and a fitness center. This project is partially supported by student segregated fees. The student body approved a referendum in February 2006 to allow segregated fees and an existing cash reserve to commit \$2,500,000 toward the funding of this project.

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| 3. UW-Madison | Parking Ramps Expansion Lots 36 & 46 | \$7,132,000 PRSB |
| | Lot 36 Ramp = \$2,450,000 Total | |
| | Lot 46 Ramp = \$4,682,000 Total | |
| | Additional 367 parking spaces | |

This project will provide additional parking in the east and central campus areas to replace surface parking spaces lost to proposed construction and redevelopment projects. The project will add 117 stalls to the Lot 36 (Steenbock) Parking Ramp by building out the third level and adding a fourth level to the existing ramp. The project will also add 250 stalls to the Lot 46 (southeast campus) Parking Ramp by construction of an additional two levels to the existing ramp.

4. UW-Madison Chadbourne and Barnard Halls Renovation \$7,823,000 PRSB
42,700 GSF Remodeling
4,500 GSF New Space

This project will renovate areas of Chadbourne and Barnard Halls to improve the overall efficiency and usability of the space which is currently hampered by mechanical failures and little flexibility of design. Typical project work will include construction of new elevator hoistways and installation of new elevators, creation of more modern bathroom spaces, expansion and renovation of floor lounges, HVAC and electrical replacements and upgrades, as required, and appropriate site work. The work will be phased to allow occupancy during the academic year.

5. UW-Madison Lakeshore Residence Hall Development \$67,815,000 PRSB
Phases I and II
\$44,007,000 PRSB (Phase I)
\$23,808,000 PRSB (Phase II)
251,820 GSF New Space
6,000 GSF Additional Space

This is a two-phase, multi-year project that will increase residence hall capacity and significantly improve housing and food service facilities in the west lakeshore area of campus by constructing three new residence halls with a total capacity of 504 beds, a new food service facility, and a new commons space. Phase I of the project will include the construction of one building (approximately 171,820 GSF) that will include two residence halls and a new food service facility, and the construction of a modest addition to Bradley Hall (approximately 3,000 GSF) and related renovations. Phase II of the project will complete the project with the construction of a new building (approximately 80,000 GSF) that will include the third residence hall and area-wide program and student services spaces, the demolition of Holt Commons, and a modest addition (approximately 3,000 GSF) and related required renovations to Cole and Sullivan Halls.

6. UW-Madison Music Performance Building \$43,865,000 Gifts
55,000 GSF New Space

This building is the first of two new facilities planned for the School of Music, the first being the Music Performance Facility, the second, a Music Instructional Facility that will be requested in the future. This project will construct a 55,000 GSF three-story Music Performance Facility building at the corner of Lake Street and University Avenue which will include an 800-seat Concert Hall, a 350-seat Recital Hall, and key front and back-of-the-house support spaces. Included in this project is construction of a main plaza that will also serve the Chazen Museum of Art. This project will include demolition of commercial properties owned by the university in order to provide a site for this project. The two facilities for the School of Music will replace deficient space that is currently located in the Mosse Humanities Building, which will be demolished in the future.

7. UW-Oshkosh	Softball Stadium 3,300 GSF New Space	\$500,000 Gifts
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This project will create a 3,300 GSF softball stadium facility at the Oshkosh Athletic Complex. The new facility will provide integrated grandstands, public restrooms, concessions and storage for the softball field. Federal Title IX anti-discrimination legislation mandates gender equity in college athletic program funding and support. Construction of a men's baseball grandstand and support building in the previous biennium has created a potential in-equity which construction of this facility will address.

8. UW-Oshkosh	Residence Hall 148,000 GSF New Space	\$34,000,000 PRSB
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This project will construct a new 148,000 GSF residence hall facility that will consist of apartment/suite-style living accommodations for approximately 400 students. The design of the residence hall supports the expectation of today's students that residence hall living will provide individual privacy as well as a physical layout that promotes a positive sense of community to enhance their academic experience. The planning of this project will involve an analysis of the existing housing inventory to determine the best site for the new structure.

9. UW-Parkside	Union Parking Lot Reconstruction/ Expansion 659 Spaces	\$1,173,000 PRSB
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This project will construct a 639 stall parking lot that includes reconfiguration and expansion of the existing Union parking lot by 48 stalls, and construction of approximately 1,300 lineal feet of new roadway. In addition to replacing a parking lot that is at the end of its useable life, this project will enable the implementation the first of several phases of traffic circulation improvements that were recommended in the recently completed campus master plan.

10. UW-River Falls	Field South Forks Suites Additions 75,000 GSF New Space	\$14,586,000 PRSB
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This project constructs two additions to the existing George R. Field South Fork Suites to accommodate 240 students in 60 four-person suites. The additions will match the design of the existing building, which was completed in 2005, and will be constructed in locations identified during the planning of the original building. The project will also expand an existing parking lot by 120 stalls to serve the residents of the new suites. This project is a response to increasing demand for on-campus housing that has resulted in the use of temporary solutions to accommodate demand.

11 UW-Stevens Point	Residence Hall	\$36,205,00 PRSB
	181,500 GSF New Space	

This project will construct a 500 bed suite style housing complex as part the Allen Residence quad on the east side of campus. 125 units will be in a suite-style configuration with 4 single occupancy rooms and include two baths and a shared study/common room plus a kitchen. 75 of those units (200 beds) will be in the same style but with kitchenettes. To make room for the project, Hyer Hall, the smallest residence hall at UW-Stevens Point at 180 beds and 40,400 GSF will be demolished.

12 UW-Stevens Point	Residence Halls Renovation	\$19,995,000 PRSB
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This project will renovate four residence halls in the south DeBot quadrangle: Baldwin, Neale, Steiner, and Hansen. The halls comprising a total of 216,100 GSF will receive limited renovation with window replacement, room lighting upgrades, and ADA modifications including an elevator. A fire sprinkler system will be installed throughout and individual heating control valves added to each sleeping room. Updates and upgrades to existing finishes include replacement of carpet tile, window treatments, and closet side panels. This project is a result of a campus wide housing master plan completed summer of 2006.

13. UW-Stout	Price Commons Second Floor Renovation	\$2,531,000 PRSB
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This project will address the complete abatement of all remaining asbestos containing material (ACM) in the ceilings, floors, piping, and ductwork of Price Commons. Most of this abatement will occur on the second floor, but selective abatement will also occur on the first floor in the mechanical room, hallway, freight elevator, and employee restroom. The mechanical systems (HVAC, fire protection and above floor plumbing) and the electrical systems (power and lighting) will be upgraded or renovated as required. These systems are past the end of their usable lives and require replacement. This project will provide updated floor and ceiling finishes in those areas where abatement will occur in order to provide a more appealing dining experience. In addition, the servery areas, which date to the original 1967 construction, will be updated to serve current food service standards.

14 UW-Whitewater	Drumlin Dining Hall Renovation	\$1,275,000 PRSB
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This project will remodel the 33,407 GSF Drumlin Hall Dining Hall, which was constructed in 1965 and serves student residents on the west side of the campus. Work will include a new front entrance that will include an elevator and stairway on the east side of the building and the second floor balcony located on the east side of the building will be restored. This project will also include upgrades to the current HVAC system. Drumlin Hall primarily serves the six low-rise dorms on the west side of campus and two low-rise residence halls located on the south side of Starin Road, although it is open to all students.

15. UW-Whitewater	Residence Hall	\$33,300,000 PRSB
	198,700 GSF New Space	

This project will build two suite style residence halls for 450 student located in the academic core of the campus. They will be single occupancy bedrooms in suite-style arrangements to meet the market demand. The possibility of a single residence hall with a slightly smaller budget will be investigated during the design phase. Four-bedroom suites will be provided, with a common area, kitchenette with sink, microwave and refrigerator, and bathroom facilities dedicated to only that suite. The project will also include common areas such as lobby, mail rooms, laundry rooms and gathering space on the first floor and lower level to support the building occupants.

16. UW-Whitewater	Multi-Sport Facility – Phase II	\$2,450,000 PRSB
	11,547 GSF New Space	<u>3,436,000</u> Gifts
		\$5,886,000 Total

This project will reconfigure a portion of the 40-acre West Campus Athletic Fields Complex this area, constructing Phase II of the Multi-Sport Athletic Facility on approximately 17 acres within the complex. The project will complete the fields at the van Steenderen Softball Complex and will provide new irrigation systems for the softball fields and for Prucha Field. The project will also construct new bleachers at the softball area and provide a new scoreboard for the van Steenderen Varsity Softball field. This project will construct a new Softball Support Building (1,200 GSF) and a new Track/Soccer Support Building (10,347 GSF) that will contain a concessions area, public restrooms, team locker rooms, working and meeting spaces, and an athletic training area. The project will provide a new irrigation system and new field lighting for softball, baseball, and the combined track and soccer facility.

This project is partially supported by segregated fees. The Segregated University Fee Allocations Committee (SUFAC) approved \$3,734,000 for Phase I (\$1,284,000) and Phase II (\$2,450,000) of the Multi-Sport Facility project on April 26, 2006. The SUFAC later confirmed the fee impact of \$35.32 necessary to support the project. The fee implementation will be \$17.76 beginning with 2007-08, increasing to \$26.64 in 2008-09, and then increasing to \$35.32 in 2009-10. This calculation was based on a twenty year payback.

2007-09 Capital Budget – Informational Materials

UNIVERSITY OF WISCONSIN SYSTEM CAPITAL ASSETS

The University of Wisconsin System has approximately 2,300 structures and over 1,200 buildings totaling 60 million gross square feet of space with replacement costs of nearly \$7.3 billion. This accounts for 63% of the total state-owned facilities in Wisconsin. The Board of Regents holds title to approximately 18,000 acres of land throughout Wisconsin, the majority of which has been donated to the university and is deed restricted for research and nature preserves. About 4,600 acres comprise the main campuses of the system's 13 universities.

While the portfolio of UW System facilities includes buildings from the mid-1800's, approximately 70% were constructed in the last 30 to 40 years. Most of these buildings were built to 30-year life expectancy standards and are in need of significant maintenance and renovation.

The UW System has approximately \$700 million of deferred maintenance needs. Although the state of Wisconsin and UW institutions have made significant investment through biennial capital budgets in recent years, the backlog continues to grow. In addition to providing funding for maintenance, the state and universities are investing in major remodeling projects of entire facilities to eliminate backlog maintenance.

THE CAPITAL BUDGET PROCESS

The quality of education depends on careful integration of curriculum, faculty, and facilities. Long range physical planning for campuses of the University of Wisconsin System is an ongoing process designed to provide appropriate facilities in response to the dynamics of higher education. Each university has a Campus Development Plan that defines overall land use patterns, identifies potential construction needs, and serves as an illustration to ensure cohesive, aesthetic development compatible with the community and environment.

The Capital Budget is generally the mechanism for universities to receive funding for facilities needs. Those needs defined within the parameters of the Campus Development Plan, are more specifically stated in a Six Year Facilities Plan.

The Six Year Facilities Plan aids the campus by identifying long-term program directions and describing their effect on the institution's facilities needs. The Six Year Plan is required for each institution by Sections 16.84(6) and 13.48(6) of the Wisconsin Statutes.

Because the Campus Development Plan and Six Year Facilities Plan reflect the needs of students, faculty and staff, and the local communities, extensive participation in the preparation of the plans is warranted. Each campus has established Campus Planning Committees that involve the various affected entities within the institution. Additionally, separate committees are established for individual major projects. Those committees include representatives of the user groups of the proposed facility.

The UW System Office of Capital Planning and Budget is responsible for formulating a biennial capital budget request for consideration by the Board of Regents. Once approved by the Regents, the budget request is submitted to the Department of Administration's Division of State Facilities (DSF). The division prepares a capital budget request for all state agencies and introduction by the Governor in the biennial budget process. There are three primary sources of funding for capital projects.

- General Fund Supported Borrowing (GFSB) 20-year state-issued bonds repaid with GPR
- Program Revenue Supported Borrowing (PRSB) 20-year state-issued bonds repaid with UW PR
- Gift and Grant funds

Construction and maintenance projects are approved in two chief categories:

- Major Projects – require specific enumeration and cost \$500,000 or more.
- All Agency Projects – require Building Commission approval from a fund for capital maintenance

THE ROLE OF THE WISCONSIN STATE BUILDING COMMISSION

The State of Wisconsin Building Commission is an eight-member body consisting of the Governor, three senators and three representatives, and one citizen member who is appointed by the Governor.

The Commission is subdivided into two subcommittees: a Higher Education Subcommittee and an Administrative Affairs Subcommittee. The Higher Education Subcommittee is responsible for reviewing building program requests of the University of Wisconsin System. The Administrative Affairs Subcommittee is responsible for reviewing building program requests of all other state agencies.

Every two years, as part of the biennial budget process, the Building Commission recommends a state building program to the Legislature that includes a list of projects and funding sources to meet the state's capital improvement and maintenance needs over the following two-year budget cycle.

The All Agency program, provides funding to the Building Commission to support general categories of repair and renovation projects. The UW System is given a funding allocation from which to request specific projects for construction. The UW System manages these requests on a competitive basis and submits projects to the Division of State Facilities and state Building Commission for approval.

As required under WI Stats. s. 13.48 (7), the Building Commission's capital budget recommendations are forwarded to the Legislature's Joint Committee on Finance by the first Tuesday in April. The Committee reviews the recommendations and may modify them before incorporating the capital budget into the biennial operating budget. Both houses of the Legislature take up the capital budget as part of their deliberations on the biennial budget.

IMPLEMENTATION OF THE BUILDING PROGRAM

After projects are approved in the capital budget the Building Commission must again review and approve each project. Upon recommendation of the campus and System Administration, the Division of State Facilities advertises for, hires and contracts with an Architectural or Engineering firm (AE) to prepare preliminary designs. When the preliminary design work reaches 35%, a design report is prepared that describes the proposed design, budget and schedule. Before construction can proceed, the Building Commission must approve the design report. If it is approved, the A/E firm completes final construction documents DSF solicits construction bids. State statutes require that contracts be awarded to the lowest qualified responsible bidder, unless the Building Commission has approved an alternative method.

All building projects in excess of \$100,000 must be approved by the Building Commission prior to construction. For projects under this threshold, The DSF is authorized under the Small Projects Program (13.48 (10), (29)) to design and bid projects upon request of the UW institution.

**CRITERIA FOR RANKING
STATE GENERAL FUND MAJOR PROJECTS
REQUESTED BY UW SYSTEM INSTITUTIONS**

BACKGROUND

Each biennium, the Board of Regents establishes criteria to be used by System Administration staff in ranking proposed GPR major projects that would require specific enumeration in the upcoming capital budget. Using approved criteria in preparing capital budget submissions was established in 1999-2001 and the criteria have been updated biennially to reflect current systemwide initiatives, priorities, and goals of the Board of Regents. The intended use of these criteria is to create a priority list that addresses the greatest needs, highest academic priorities, and most cost-effective solutions to various facility problems.

REQUESTED ACTION

That the Board of Regents adopts Resolution I.3.j., authorizing the use of criteria as defined in Appendix A for ranking state general fund major projects for enumerated planning or construction.

DISCUSSION

The proposed criteria for ranking major capital projects emphasize extending the useful life of existing facilities and functionality. They also support goals of improving the quality of education by providing effective learning and teaching environments with appropriate technology. Strong consideration is given to the academic significance of the program(s) served by each project, as well as any operating efficiencies to be realized. Consideration is also given to the institutional priority of each project established by the respective Chancellor. All general fund projects requiring enumeration must be supported by a completed Campus Space Use Plan.

A critical change is the prioritization of capital projects for which enumerated planning will be requested in the current biennium with the expectation of construction funding following in the subsequent biennium. This process provides the necessary linkage to accomplish rational programming and initial design that should produce more realistic cost estimates and capital budget submissions. It also gives credence for effective long-range planning efforts. Four major projects were enumerated for planning in 2005-07 and comprise a significant portion of our capital budget request for funding in 2007-09.

Given the magnitude of capital budget needs, each major project proposal will be ranked using the recommended criteria to determine its overall placement on a prioritized Systemwide list for Regent approval in the next capital budget.

System Administration has not yet received capital budget instructions from the Department of Administration. It is expected that additional guidelines, which may be established by the Department of Administration, will be addressed in the context of the foregoing framework.

RANKING CRITERIA FOR STATE GENERAL FUND MAJOR PROJECTS

CRITERIA	DEFINITION	MAX. PTS.
Facility Considerations		100 Total
Group 1	Maintenance, Safety, Environment and Accessibility	35 Total
Maintenance	Renews backlogged maintenance items or eliminates backlogged maintenance through demolition	0-20
Health, Safety, Environment, & Accessibility	Eliminates health hazards, safety hazards, non-code-complying conditions, and accessibility barriers. Remediates hazardous materials	0-15
Group 2	Functionality	50 Total
Functionality	Eliminates functional obsolescence, improves functionality, and/or updates technology.	0-15
Space Utilization	Improves utilization of space and/or makes use of under-utilized space.	0-10
Space Adequacy	Relieves overcrowding and/or provides sufficient space to accommodate intended functions.	0-15
Operating Efficiencies	Accomplishes consolidation of services or reduces operating resources required (maintenance, custodial, support, energy consumption, or supplies).	0-10
Group 3	Sustainability	15 Total
Reuse of Facilities	Reuses existing space.	0-5
Infrastructure Impact	Makes use of existing utility, road and site infrastructure/ minimizes need for additional infrastructure construction.	0-5
Sustainable Design	Incorporates sustainable design principles (site, water, energy, and material conservation, indoor environment)	0-5
Institutional Significance		55 Total
Institutional Mission	Directly supports institution's mission and goals	0-10
Academic Goals	Directly supports academic goals	0-15
Student Services	Improves access to student services	0-10
Programs	Addresses program needs that currently cannot be met, including program accreditation	0-10
Other	Other benefits to the institution, including benefit to support and administration areas.	0-10
Long Range Planning		45 Total
Development Plan Consistency	Identified in previous long-range development plan. Yes = 10, No = 0	0 or 10
Campus No. 1 Priority in 2003-2005	Yes = 5 points, No = 0 points	0-5
Campus No. 1 Priority in 2005-2007	Yes = 5 points, No = 0 points	0-5
Campus Number One Priority	Yes = 5 points, No = 0 points	0-5
Sequence of Project	Must be implemented before other projects in long-range plan can occur.	0 or 10
Timing of Project	Delaying project would jeopardize occupants, programs, operations, building integrity, or availability of external funding.	0-10
Total Possible Points = 200		

D. PERFORMANCE MEASURES

**DOA Required 2007-09 Biennial Budget Performance Measures
for the University of Wisconsin System**

Measure I: Enrollment

Goal: Provide service to meet or exceed the current full-time-equivalent student enrollment plans.

Year	Enrollment Plans	Actual
1997-98	127,374	125,393
1998-99	127,768	128,370
1999-00	128,156	129,961
2000-01	130,986	131,385
2001-02	131,387	133,701
2002-03	133,211	135,653
2003-04	135,343	135,798
2004-05	134,885	135,186
2005-06	135,841	136,883
2006-07	136,319	
2007-08	136,918	
2008-09	138,104	

2007-08 and 2008-09 enrollment plans are contingent upon funding included in the 2007-09 Biennial Budget Request.

Measure II: Persistence Rate (Students retained at original institution)
Goal: Retain 82 percent of new freshmen to the second year of study.

Year (Cohort)	Goal	Actual
1995-96 (1994)		76.6%
1996-97 (1995)		77.6%
1997-98 (1996)		78.3%
1998-99 (1997)		78.5%
1999-00 (1998)		78.6%

2000-01 (1999)	78.4%	78.7%
2001-02 (2000)	78.9%	78.8%
2002-03 (2001)	79.5%	79.5%
2003-04 (2002)	80.3%	80.1%
2004-05 (2003)	81.1%	79.7%
2005-06 (2004)	82.0%	80.7%
2006-07 (2005)	82.0%	
2007-08 (2006)	82.0%	

Measure III: Graduation Rate (Students graduating from any UW institution)
Goal: Graduate 64 percent of new freshmen within six years of matriculation.

Year* (Cohort)	Goal	Actual
1995-96 (1989)		60.0%
1996-97 (1990)		57.6%
1997-98 (1991)		57.0%
1998-99 (1992)		58.5%
1999-00 (1993)		59.6%
<hr/>		
2000-01 (1994)	59.0%	59.3%
2001-02 (1995)	60.4%	60.6%
2002-03 (1996)	60.7%	61.7%
2003-04 (1997)	61.0%	62.1%
2004-05 (1998)	61.5%	62.2%
2005-06 (1999)	61.8%	63.5%
2006-07 (2000)	62.0%	
2007-08 (2001)	62.5%	
2008-09 (2002)	63.0%	
2009-10 (2003)	63.5%	
2010-11 (2004)	64.0%	

*Year denotes the reporting year not the academic year the degree was completed.

Measure IV: Contribution to the State of Wisconsin's Economy

Goal: Contribute at least \$300 million to Wisconsin earnings annually.

Year (Graduating Class)	Goal	Actual
1999-00 (1998-99)		\$ 300 Million
2000-01 (1999-00)	\$ 320 Million	\$ 327 Million
2001-02 (2000-01)	\$ 340 Million	\$ 363 Million
2002-03 (2001-02)	\$ 370 Million	\$ 374 Million
2003-04 (2002-03)	\$ 390 Million	\$ 402 Million
2004-05 (2003-04)	\$ 420 Million	\$ 415 Million
2005-06(2004-05)	\$ 420 Million	\$ 412 Million
2006-07 (2005-06)	\$ 420 Million	
2007-08 (2006-07)	\$ 420 Million	

E. REFERENCE



JIM DOYLE
GOVERNOR
STATE OF WISCONSIN

May 26, 2006

Dear Agency Head:

Wisconsin's economy is again on the move, creating jobs and expanding exports. Families are moving to Wisconsin, taking advantage of our highly desirable quality of life, which is the product of top-notch public schools, world-class university and technical college systems, abundant natural resources, an extensive and well-maintained transportation network combined with a below-average cost of living.

Much progress has been made since I took office over three years ago. Inheriting the largest budget deficit in the state's history and a weakened economy, we set priorities and made tough decisions.

First and foremost, we did not raise taxes to offset the excessive spending of prior administrations. In fact, state taxes will be cut by over \$600 million by 2009. Seniors no longer have to pay taxes on social security income, disabled veterans and their families are receiving tax credits to pay all their property taxes, and middle class families have had their taxes reduced to help offset high gas prices, college tuition and health care costs. Targeted business tax cuts, including the single sales factor in the corporate income tax, incentives for venture capital and broadband investment, and tax credits for farmers and manufacturers, have helped spur job creation and economic expansion.

Second, we have worked hard to make state government more cost-effective and responsive. Over the last three years, we have cut almost \$700 million from state agency operations, eliminated nearly 4,000 state positions, eliminated unnecessary contracting and sold 1,000 state cars. We have eliminated regulatory red tape for businesses and improved privacy protections for the public.

Finally, we have made education and health care a priority. SeniorCare and BadgerCare have been protected and improved. Two-thirds funding of schools has been restored, helping to freeze local property taxes. Financial aid for University of Wisconsin students has more than doubled.

While much progress has been made, we need to remain vigilant in the expenditure of public dollars. Continued reductions by the federal government in health care and other services, along with unfunded federal mandates, will place increasing pressure on the state budget. Declining federal support combined with the legacy of

overspending by past administrations and Legislatures will continue to create fiscal constraints. As a consequence, all agencies must continue to be innovative, efficient and effective in managing their programs, delivering services and using technology to lower costs to Wisconsin's taxpayers.

The Major Budget Policies and Budget Instructions call for most agencies to hold their overall fiscal year 2007-08 and fiscal year 2008-09 GPR budgets to fiscal year 2006-07 levels. The same targets will apply to the SEG-funded administrative operations of the Departments of Transportation and Natural Resources, and the Lottery. These targets are necessary to ensure state government lives within its means.

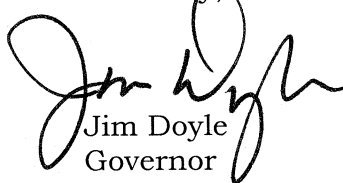
In addition, most agencies will be required to submit plans to reduce all nonfederally-funded state administrative operations appropriations by ten percent. These plans should look to retool and reorganize programs to increase both efficiency and service.

There are no easy solutions to the legacy of unfettered spending – no quick fixes or formulas. We must continue to put prioritizing programs, improving performance and utilizing technology effectively above asking for more funding. And we need to retool programs that are not doing well and consider eliminating programs that are no longer high priorities.

Agency budget requests are due September 15. Please review the Major Budget Policies and Instructions carefully as you prepare and prioritize your requests. Technical budget instructions will not be printed this year, but will be available on the Internet at www.doa.state.wi.us/debf/index.asp.

Before 2003, state government had lost its way. But it's a new day in Wisconsin. Wisconsin is back on track – growing our economy, putting kids first, supporting local services and ensuring cost-effective health care access for all. I am confident that you and your employees will continue to meet these challenges and continue to deliver important services to Wisconsin citizens.

Sincerely,



Jim Doyle
Governor

cc: Agency Budget Contacts

MAJOR BUDGET POLICIES 2007-09

The Governor has identified the following themes as the core concepts for constructing the 2007-09 biennial budget. These themes build upon our state's existing strengths and position Wisconsin to better protect and improve our families, communities, businesses and natural resources.

REDUCE THE TAX BURDEN

One of the Governor's top priorities is to continue reducing the tax burden on Wisconsin's citizens. Due to the Governor's efforts to erase the state's budget deficit without raising taxes, Wisconsin's state tax ranking is out of the top ten, falling to 15 in 2005.

INVEST IN EDUCATION

The Governor's 2007-09 budget will focus resources on improving Wisconsin's educational system. Success in school and access to higher education for all Wisconsin citizens through the Governor's Wisconsin Covenant will be a top priority for the Governor.

REFORM HEALTH CARE

Wisconsin's economy, like the rest of the nation's, is challenged by increasing health care costs. The Governor's budget will focus on preserving access to home-based care and prescription drugs for Wisconsin's seniors; making health insurance more affordable to families and businesses; containing costs; addressing federal mandates; and streamlining the health care delivery system. These issues will be addressed through the Governor's Family Care Statewide, BadgerCare Plus – Health Insurance for all Kids, eHealth and Healthy Wisconsin initiatives.

GROW WISCONSIN

Major elements of the Governor's Grow Wisconsin plan in support of high-skill, high-wage employment were enacted by the last two sessions of the Legislature. The 2007-09 budget will continue implementation of these initiatives and seek to increase training opportunities for Wisconsin's businesses and work force, as well as support the efforts of entrepreneurs. The Governor was also able to push forward regulatory relief in support of Wisconsin business without compromising Wisconsin's high environmental standards. The 2007-09 budget will focus on further streamlining burdensome regulations while maintaining Wisconsin's pristine environment.

ENERGY EFFICIENCY

The Governor's 2007-09 budget will continue to implement measures to reduce state agency energy consumption and expand research and development efforts in support of alternative energy sources. Energy conservation measures in state buildings and expanded use of alternative fuels generally will help to reduce costs and boost Wisconsin's economy.

CARE FOR WISCONSIN'S KIDS

High educational attainment and the future success of Wisconsin's economy depend on ensuring that our kids are protected and cared for. Continued implementation of the Governor's KidsFirst initiative will be a top priority in the 2007-09 budget.

SUPPORT LOCAL GOVERNMENT

The Governor's 2007-09 budget will continue to protect a fair and equitable shared revenue system for local governments in order to limit property taxes and ensure quality local government services which are critical to Wisconsin's citizens. Efforts to improve cooperation between state and local governments, improve efficiencies in delivery of services, and control property taxes will be top priorities in the budget.

PROTECT WISCONSIN'S CITIZENS

The Governor's 2007-09 budget will continue efforts to decrease the overall cost of incarceration in Wisconsin, while maintaining the safety of our citizens. The budget will also include on-going support for the newly created Office of Privacy Protection. Technology enhancements and improved coordination of state and local law enforcement remain key goals in all of these efforts.

ENHANCE WISCONSIN'S NATURAL RESOURCES

The Governor understands that the success of Wisconsin's economy is tied directly to protecting and enhancing Wisconsin's pristine environment and natural resources. The budget will continue to make the Warren Knowles - Gaylord Nelson Stewardship 2000 Program a priority, along with other measures including Conserve Wisconsin, that ensure natural resource protection and environmental quality.

SECURE FAIR SHARE OF FEDERAL DOLLARS

Federal funds comprise approximately 26 percent of the state budget. The state has a goal of increasing the receipt of federal funds where consistent with state program goals. The Governor will continue to aggressively pursue federal funds so that Wisconsin taxpayers are treated fairly relative to their financial contributions.

STREAMLINE STATE GOVERNMENT

The 2007-09 budget will continue to improve state government efficiency. Through prudent technology investments, co-location of government services and elimination of low-priority programs, services to citizens will be enhanced through efficient use of state resources.

BUDGET TARGETS

- Agencies should prepare their 2007-09 biennial budget requests based on 100 percent of their fiscal year 2006-07 adjusted base level.
- The 2007-09 biennium will present many fiscal challenges. Addressing these challenges will be the overriding factor in GPR spending decisions for the next budget. As such, there will need to be restraint in most GPR appropriations in the next budget.
 - Agencies should assume there will be zero growth in overall GPR appropriations in each fiscal year during the 2007-09 biennium, and specific program needs should be managed within this general constraint.
 - Exceptions will occur only for K-12 school aids; required cost-to-continue needs for the state's institutions, i.e., the Department of Corrections and the Department of Health and Family Services institutions; entitlement and related assistance programs in the Departments of Health and Family Services (e.g., Medical Assistance) and the Department of Workforce Development's Division of Vocational Rehabilitation; the University of Wisconsin System instruction and research activities that are focused on economic growth; and housekeeping adjustments like standard budget adjustments, fuel and utilities, and debt service.
- The zero growth policy will also apply to the SEG-funded administrative operations appropriations of the Department of Transportation, Department of Natural Resources and Lottery.
- Funding requests for other types of appropriations and other funding sources in both years should be limited to revenue availability and prioritized programmatic needs.
- Except for standard budget adjustments, routine budget items should be handled in agencies' base budgets regardless of fund source. Consistent with overall targets, agencies should limit requests to spending items associated with significant policy and operational changes.
- Proposals that transfer functions or programs, including related costs and staff, between agencies should result in zero growth in overall state appropriations (i.e., the transferring agency should have lower overall appropriations to offset the increase at the receiving agency). All agencies involved in the transfer should notify the State Budget Office of any such proposal to facilitate review of the request and allocation of any projected savings between the agencies.

PLANNING FOR OPERATIONS REDUCTIONS

- Agencies with state operations administrative appropriations, including the administrative activities of the University of Wisconsin System, should prepare plans to absorb a ten percent permanent base cut. This reduction should equal ten percent of all non-FED sum certain state operations administrative appropriations in an agency, excluding debt service and fuel and utilities appropriations.
- Reduced base budget plans are due Monday, November 13, 2006.

- To prepare for these cuts, agencies should look beyond trying to absorb the reduction as an across-the-board appropriation cut. This should not be an exercise to tweak the status quo, instead you should use this exercise to fundamentally review your agency's missions and priorities, exploring opportunities to reallocate resources, integrate programs and consolidate functions.
- Where reductions and efficiencies in state operations result in reductions in positions, agencies should plan to accomplish this reduction without layoffs.
- Any areas needing additional staff must be met through base reallocations.
- Agencies should not include decision items related to new or expanded enterprisewide administrative initiatives in budget requests or budget reduction plans. Savings and required investments related to these efforts will be incorporated into the Governor's budget.

Note: Agencies must receive approval from the State Budget Office before proposing to use funding sources in another agency to stay within budget targets, to absorb operations' reductions or to fund any new initiatives.

BASE BUDGET REVIEW

The Department of Administration secretary is required under s. 16.423, Wisconsin Statutes, to select one-third of all state agencies each biennium and require those agencies to provide a description of each programmatic activity performed by the agency and the expenditure, by revenue source, for each activity area. Expenditures must be reported for the last three fiscal years, with detailed breakouts of expenditures occurring in the third and fourth quarters of those fiscal years. Agencies not selected in the last two biennia will need to meet this requirement this biennium.

Agencies' Chapter 20 appropriation schedules will be used to identify programmatic activity areas and to categorize the expenditure information. Agencies required to report for the 2007-09 biennium must submit their reports no later than Monday, September 18, 2006. The State Budget Office will provide selected agencies with the base expenditure information and a standard format for agencies to describe their programmatic activity and spending patterns.

PERFORMANCE MEASUREMENTS IN BUDGETING

- Agencies are asked to continue to report on the performance measures they identified for previous biennial budgets. These measures should relate to agencies' broad Chapter 20 budget programs. If needed to capture significant shifts in agency function, additional measures could be added; however, only a few measures should be presented so there is a clear focus on results.
- For the 2007-09 budget, agencies need to report actual outcome measures through fiscal year 2004-05 and fiscal year 2005-06. Planned outcome measures should be listed for fiscal year 2006-07, fiscal year 2007-08 and fiscal year 2008-09. Agencies should track and maintain data going forward to present actual performance data for a fiscal year compared to planned performance. (A calendar year may be used if data is collected on that basis. Please note where calendar years are used.)

The State Budget Office will include performance measures developed by an agency in the Executive Budget Book, and agencies should reference measures in decision items, where relevant. The information that needs to be presented for each broad Chapter 20 budget program where measures are reported includes:

- The key goals and objectives for each program.
- The outcome measure(s) selected for the program, including past actual outcomes and the planned outcomes over the next two years.
- Statewide data can be presented, as well as comparing different regions. Data showing that one region is lagging behind other regions in Wisconsin, for example, may suggest a geographical reallocation is appropriate. The agency should also identify what external factors may influence program outcomes, since many factors can impact program success. Finally, the agency should be prepared to address how it could adjust programming to improve results.
- Because many factors enter into budget decisions, the traditional program budget decision information and format will continue to be presented. However, outcome measures can provide a rationale to add, reduce or reallocate budget resources. Measures should be taken into consideration when funding decisions are made. They should be cross-referenced in decision items, where applicable, but the agency should not rely on requests for new funding to reach a planned outcome goal. Better alternatives may include reallocating existing base funding, consolidating similar programs or identifying other means to improve outcomes within current program funding.
- Agency descriptions and performance measures will be E-mailed to each agency budget contact for updating. It is important for agencies to follow the prescribed format to ensure consistency and compatibility. The information should be submitted electronically in Microsoft Word software format, to facilitate inserting the information into the Executive Budget Book.

BUDGETING FOR INFORMATION TECHNOLOGY

Requests for funding of information technology projects should identify the link between the project and the state's business goals and provide specific information about each project. Consistent with information technology strategic planning, project definitions must include a standard return on investment (ROI) calculation.

BUDGETING FOR DEPARTMENT OF ADMINISTRATION RATE CHANGES

Agencies should not reflect anticipated rate changes, including any charges related to the Integrated Business Information System (IBIS), from the various divisions within the Department of Administration in their 2007-09 budget requests. Forecasting of rates and impacts on individual agency budgets will be addressed by the Department of Administration in developing the Governor's 2007-09 budget.

INCREASING FEDERAL FUNDS

Federal funds comprise approximately 26 percent of the state's resources. The state has a goal of increasing the receipt of federal funds where the use of federal funding is consistent with state program goals. In order to increase the amount of federal funds received, agencies should conduct the following review:

- Examine existing grant awards to ensure that they are fully utilized and consistent with agency priorities. If unexpended grant authority is available, the agency should reallocate the funds to other activities to the extent possible under state and federal rules.
- Agencies may also identify, in the form of a policy paper submitted on September 15, additional federal grant opportunities that were not included in the agency's request. Such opportunities may be considered for funding by the State Budget Office during budget deliberations.

The Department of Administration's Division of Intergovernmental Relations will work with agencies to develop current issues to be included in the Governor's Federal Issue Agenda to increase the receipt of federal funds.

STATUTORY LANGUAGE GUIDELINES

- Agencies should seek to limit policy items unrelated to appropriation changes for inclusion in the Governor's budget.

Note: Please contact your State Budget Office analyst to discuss whether a particular initiative is appropriate for submission as a budget request.

- Agencies should not submit extensive lists of technical or housekeeping changes for inclusion in the Governor's budget. Proposed changes for separate nonbudget legislation can be submitted to the Department of Administration for review and approval, separate from the budget request.

Note: Please contact your State Budget Office analyst if these types of changes are sought.

- As in past budgets, prior to September 15, agencies may work directly with the Legislative Reference Bureau in preparing statutory language items related to the budget. After September 15, all drafting and redrafting requests related to the budget must come from the State Budget Office.
- The Legislative Reference Bureau strongly discourages agencies from submitting budget bill drafts that agencies have drafted. Instead, agencies should submit memoranda identifying what they are seeking to accomplish.
- The detailed budget instructions will provide more information on statutory language submittal requirements.

BUDGET SUBMITTAL DUE DATES AND PROCEDURES

- Formal budget requests, including statutory language related to decision items, are due Friday, September 15, 2006. Send four (4) copies to the State Budget Office and two (2) copies directly to the Legislative Fiscal Bureau.
- Agency budget directors will be required to include with their budget submittals a signed Budget Checklist of budget elements completed. This will help ensure all required materials have been included in the budget. The formal instructions for 2007-09 will include this checklist.
- State Budget Office staff will also meet with individual agencies to explain budget policies and procedures and discuss any agency concerns.

INFORMATION ON THE WEB

- The Budget Instructions, along with various budget forms, will only be available on the State Budget Office Web site at <http://www.doa.state.wi.us/debf/index.asp>.
 - Periodic information updates will be posted to this Web site so agencies should check it regularly.



JIM DOYLE
GOVERNOR
STATE OF WISCONSIN

August 1, 2006

David Walsh, President
University of Wisconsin Board of Regents
Foley & Lardner
150 East Gilman Street
Madison, WI 53701

Kevin Reilly, President
University of Wisconsin System
1720 Van Hise Hall
1220 Linden Drive
Madison, WI 53706

Dear President Walsh and President Reilly,

The University of Wisconsin System is one of our state's greatest assets. The UW is known worldwide for leadership in research and academics, and is an indispensable part of our state's economy. Our proud UW tradition did not develop overnight; generations have made major investments to achieve the quality system we have today and we need to continue making those investments.

However, times have changed and we are now facing new challenges. Enrollment among students from low-income families at the UW has been declining over the past ten years. The federal government has failed in its commitment to help finance higher education, as federal financial aid programs continue to be slashed in Washington. Interest on federal loans has risen substantially, federal work-study funding has been underfunded, and federal Pell Grants have been capped at \$4,050 for five years in a row while eligibility calculations have changed so that fewer students are eligible for Pell Grants in the first place.

Despite facing the worst fiscal crisis in state history, we have done much together at the state level to address these challenges. Since I have been Governor, we doubled state's commitment to financial aid for UW students over the last four years, increased the tuition tax deduction, expanded the EdVest college savings program, and increased the maximum higher education grant that UW students can receive. Together, we are embarking on an exciting new initiative – the Wisconsin Covenant – that seeks to raise the aspirations of Wisconsin's children to go to college and ensure that, if they earn a B average, take rigorous coursework, are good citizens, and graduate from high school, they will have a place in higher education and the resources to be able to afford to attend.

While we have made major strides forward, we must do even more to make sure that the UW remains affordable for Wisconsin families, including the middle class. The cost of college has risen faster than inflation for the past two decades. Holding down tuition is one way that we can help to ensure that higher education remains affordable for families. Therefore, I am calling on the Board of Regents to approve at their August 2006 meeting a 2007-09 biennial budget request that will limit tuition increases to a level no greater than the rate of inflation.

As you know, while the Governor and the Legislature are responsible for the development of the state budget, the Board of Regents is responsible for setting tuition rates. Maintaining both quality and access at our great UW System are top priorities of mine. I welcome the opportunity to work with you during the biennial budget process to find ways to advance the Wisconsin Covenant and the UW Growth Agenda, while holding down tuition for Wisconsin students and families at the same time.

Supporting our state university system and making college more affordable and accessible are some of the best investments we can make in Wisconsin's future. I know that we share these priorities, and I look forward to working with you on these issues and to make the dream of a UW education a reality for more Wisconsin students and families.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Doyle". The signature is fluid and cursive, with the first name "Jim" and last name "Doyle" clearly distinguishable.

Jim Doyle
Governor

Cc: Members, University of Wisconsin Board of Regents

UNIVERSITY OF WISCONSIN SYSTEM
SHARE OF STATE GPR

	UW GPR <u>EXPENDITURE</u>	STATE OF WI GPR <u>EXPENDITURE</u>	UW AS % <u>OF STATE</u>
1973-74	278,743,147	1,933,571,053	14.42%
1974-75	298,522,282	2,166,752,155	13.78%
1975-76	310,446,570	2,307,619,718	13.45%
1976-77	340,074,169	2,470,900,111	13.76%
1977-78	363,899,880	2,634,551,777	13.81%
1978-79	390,977,741	3,148,901,910	12.42%
1979-80	420,677,864	3,278,297,185	12.83%
1980-81	434,183,806	3,446,856,743	12.60%
1981-82	478,941,747	3,450,863,890	13.88%
1982-83	508,368,220	4,078,030,140	12.47%
1983-84	540,472,131	3,977,740,308	13.59%
1984-85	555,568,482	4,588,188,276	12.11%
1985-86	583,885,301	4,868,026,430	11.99%
1986-87	594,259,601	5,070,256,284	11.72%
1987-88	633,625,206	5,246,094,384	12.08%
1988-89	660,137,195	5,451,877,458	12.11%
1989-90	698,155,838	5,802,999,036	12.03%
1990-91	740,757,863	6,364,528,649	11.64%
1991-92	759,887,369	6,650,683,407	11.43%
1992-93	771,832,665	6,922,128,169	11.15%
1993-94	814,538,009	7,276,614,107	11.19%
1994-95	849,762,860	7,789,976,441	10.91%
1995-96	847,482,297	8,131,598,722	10.42%
1996-97	853,360,473	9,283,406,651	9.19%
1997-98	883,660,451	9,694,461,511	9.12%
1998-99	903,691,964	10,009,395,000	9.03%
1999-00	953,800,000	11,293,969,000	8.45%
2000-01	1,047,000,000	11,077,681,000	9.45%
2001-02	981,400,000	11,265,100,000	8.71%
2002-03	1,063,800,012	11,047,900,000	9.63%
2003-04	1,002,787,626 (a)	10,955,622,800 (b)	9.15%
2004-05	992,904,091 (c)	11,949,718,200 (b)	8.31%
2005-06	991,370,721 (a)	12,771,230,100 (d)	7.76%

(a) UW System Redbook

(b) Wisconsin Act 33, including the compensation reserve

(c) 2004-05 Operating Budget and Fee Schedules, UW System

(d) Wisconsin Act 25, including the compensation reserve (via Dave Loppnow)

RULES OF THUMB

GPR

UW System 2006-07 GPR Base (Annual Budget Document)	=	\$1,044.9 million
1% Increase is GPR Support	=	\$10.4 million

TUITION

UW System 2006-07 Tuition Base (Annual Budget Document)	=	\$909.3 million
1% undergrad resident increase, same dollar increase for all other students	=	\$6.0 million

TOTAL GPR/FEE BASE

UW System 2006-07 GPR/FEE Base (Annual Budget Document)	=	\$1,954.2 million
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PAY PLAN

UW System 1% Pay Plan Increase for faculty	=	\$5.0 million
UW System 1% Pay Plan Increase for unclassified staff (including faculty)	=	\$9.2 million
UW System 1% Pay Plan Increase for classified staff	=	\$3.2 million
UW System 1% Pay Plan Increase for all staff	=	\$12.4 million

TUITION POLICY PRINCIPLES

Board of Regents
GUIDING PRINCIPLES

1. Tuition and financial aid in the UW System should balance educational quality, access, and ability to pay.
2. As a matter of fiscal and educational policy, the state should, at a minimum, strive to maintain its current GPR funding share (65%) of regular budget requests for cost-to-continue, compensation and new initiatives, and fully fund tuition increases in state financial aid programs.
3. Nonresident students should pay a larger share of instructional costs than resident students, and at least the full cost of instruction when the market allows. Nonresident rates should be competitive with those charged at peer institutions and sensitive to institutional nonresident enrollment changes and objectives.
4. Where general budget increases are not sufficient to maintain educational quality, supplemental tuition increases should assist in redressing the imbalance between needs and resources.
5. Tuition increases should be moderate and predictable, subject to the need to maintain quality.
6. GPR financial aid and graduate assistant support should “increase at a rate no less than that of tuition” while staying “commensurate with the increased student budget needs of students attending the UW System.” In addition, support should also reflect “increases in the number of aid eligible students.”
7. General tuition revenue (to cover regular budget increases under the standard 65% GPR and 35% Fees split) should continue to be pooled systemwide. Special fees may be earmarked for particular institutions and/or programs increasing those fees.
8. When considering tuition increases beyond the regular budget, evaluation of doctoral graduate tuition should consider impacts on multi-year grants and the need to self-fund waivers or remissions from base reallocation within departmental budgets.

MAJOR STATE PROGRAMS
General Purpose Revenue (GPR) Expenditures, 1975 - 2006
(Dollars in Millions)

Year Ending 6/30:	UW System		Local Assistance						Medical Assistance		Total GPR Expenditures ^a	
			School Aid		Shared Revenues, Property Tax Credits		Subtotal ^a -Local Assistance					
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% Inc. Over Prev. Year
1975	\$298.8	13.7%	\$485.8	22.3%	\$677.7	31.1%	\$1,322.4	60.7%	\$151.2	6.9%	\$2,177.1	14.1%
1976	310.6	13.4%	530.9	22.9%	664.0	28.7%	1,379.0	59.5%	172.0	7.4%	2,316.6	6.4%
1977	340.4	13.8%	564.5	23.0%	701.9	28.5%	1,446.9	58.9%	202.4	8.2%	2,458.6	6.1%
1978	363.9	13.7%	599.0	22.5%	718.9	27.1%	1,544.2	58.1%	218.4	8.2%	2,656.5	8.0%
1979	340.4	10.8%	670.8	21.3%	783.4	24.9%	1,703.3	54.1%	259.0	8.2%	3,148.9	18.5%
1980	420.7	12.8%	799.0	24.4%	790.1	24.1%	1,858.7	56.7%	295.6	9.0%	3,278.4	4.1%
1981	434.2	12.8%	844.3	24.8%	710.1	20.9%	1,865.5	54.9%	354.4	10.4%	3,398.6	3.7%
1982	478.9	13.9%	784.6	22.7%	758.4	22.0%	1,831.2	53.1%	356.8	10.3%	3,450.9	1.5%
1983	508.4	12.5%	1,135.0	27.8%	917.9	22.5%	2,364.5	58.0%	372.1	9.1%	4,078.0	18.2%
1984	540.5	13.6%	969.0	24.4%	819.6	20.6%	2,130.3	53.6%	398.6	10.0%	3,977.7	-2.5%
1985	555.6	12.1%	1,182.0	25.8%	1,004.2	21.9%	2,577.5	56.2%	431.9	9.4%	4,588.2	15.3%
1986	583.9	12.0%	1,293.5	26.6%	1,049.0	21.5%	2,778.0	57.1%	436.3	9.0%	4,868.0	6.1%
1987	594.3	11.7%	1,352.4	26.7%	1,083.5	21.4%	2,906.8	57.3%	468.6	9.2%	5,070.3	4.2%
1988	633.6	12.1%	1,476.0	28.1%	1,098.6	20.9%	3,056.2	58.3%	470.2	9.0%	5,246.1	3.5%
1989	660.1	12.1%	1,496.8	27.5%	1,110.7	20.4%	3,112.6	57.1%	532.1	9.8%	5,451.9	3.9%
1990	698.2	12.0%	1,619.1	27.9%	1,126.7	19.4%	3,289.0	56.7%	588.6	10.1%	5,803.0	6.4%
1991	740.8	11.6%	1,843.3	29.0%	1,154.9	18.1%	3,609.6	56.7%	659.9	10.4%	6,364.5	9.7%
1992	759.9	11.4%	1,942.4	29.2%	1,213.3	18.2%	3,753.6	56.4%	759.3	11.4%	6,650.7	4.5%
1993	771.8	11.1%	2,025.2	29.3%	1,230.3	17.8%	3,907.3	56.4%	801.4	11.6%	6,922.1	4.1%
1994	810.1	11.1%	2,175.3	29.9%	1,248.0	17.2%	4,090.8	56.2%	834.6	11.5%	7,276.6	5.1%
1995	849.8	10.9%	2,450.8	31.5%	1,291.6	16.6%	4,468.1	57.4%	843.3	10.8%	7,790.0	7.1%
1996	847.4	10.4%	2,683.4	32.7%	1,331.9	16.3%	4,767.2	57.6%	877.1	10.8%	8,141.8	4.5%
1997	853.4	9.2%	3,527.6	38.5%	1,585.7	14.7%	5,609.8	61.0%	865.6	9.3%	9,283.5	14.0%
1998	876.8	9.0%	3,662.2	37.8%	1,477.9	15.2%	5,847.4	60.3%	904.8	9.3%	9,694.5	4.4%
1999	903.6	9.0%	3,859.7	38.6%	1,577.9	15.8%	6,022.4	60.2%	927.8	9.3%	10,009.4	3.2%
2000	953.8	8.4%	4,173.3	37.0%	1,477.9	13.1%	6,405.1	56.7%	971.0	8.6%	11,294.0	12.8%
2001	1047.0	9.5%	4,413.2	39.8%	1,488.5	13.4%	6,679.6	60.3%	993.2	9.0%	11,077.7	-1.9%
2002	981.4	8.7%	4,552.8	40.4%	1,488.5	13.2%	6,792.0	60.3%	1,070.5	9.5%	11,265.1	1.7%
2003	1063.8	9.6%	4,756.1	43.0%	900.2	8.1%	6,438.0	58.3%	1,038.6	9.4%	11,047.9	-1.9%
2004	949.0	8.8%	4,759.0	44.1%	1,069.0	9.9%	6,506.2	60.3%	688.7	6.4%	10,784.0	-2.4%
2005	996.9	8.4%	4,789.0	40.4%	1,221.0	9.9%	6,671.6	56.3%	1,608.8	13.6%	11,859.7	10.0%
2006 ^b	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% Change Over:												
5 Yrs. ('00-'05)	4.5%		14.8%		-17.4%		4.2%		65.7%		5.0%	
10 Yrs. ('95-'05)	17.3%		95.4%		-5.5%		49.3%		90.8%		52.2%	
20 Yrs ('85-'05)	79.4%		305.2%		21.6%		158.8%		272.5%		158.5%	

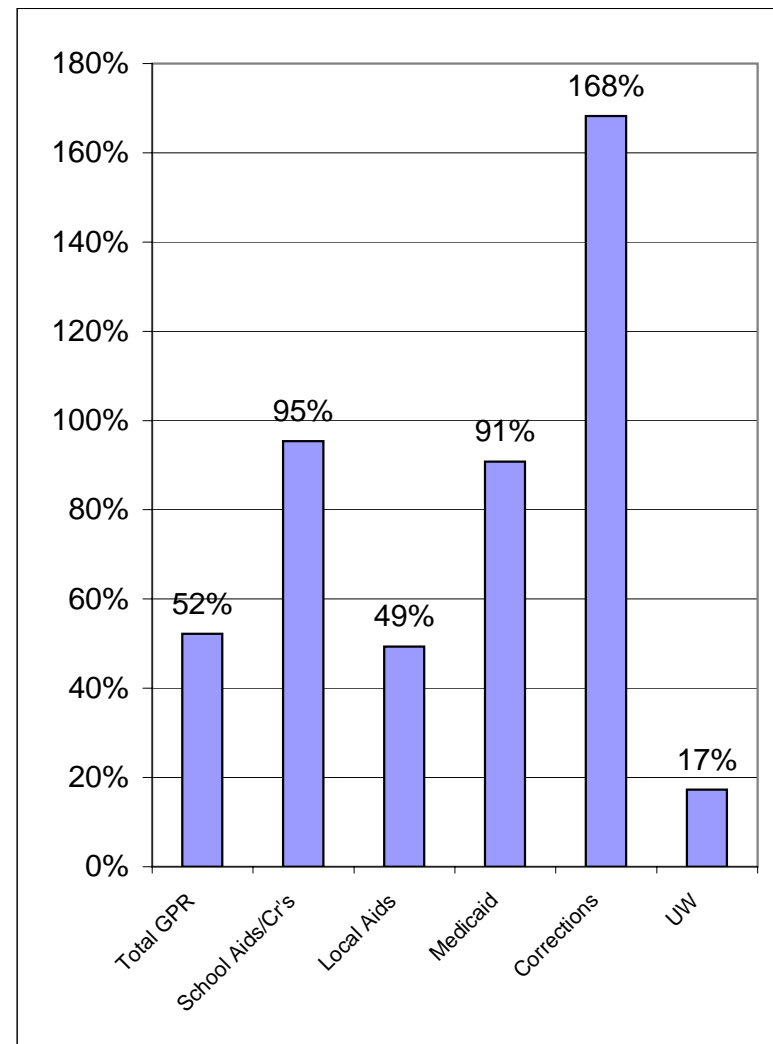
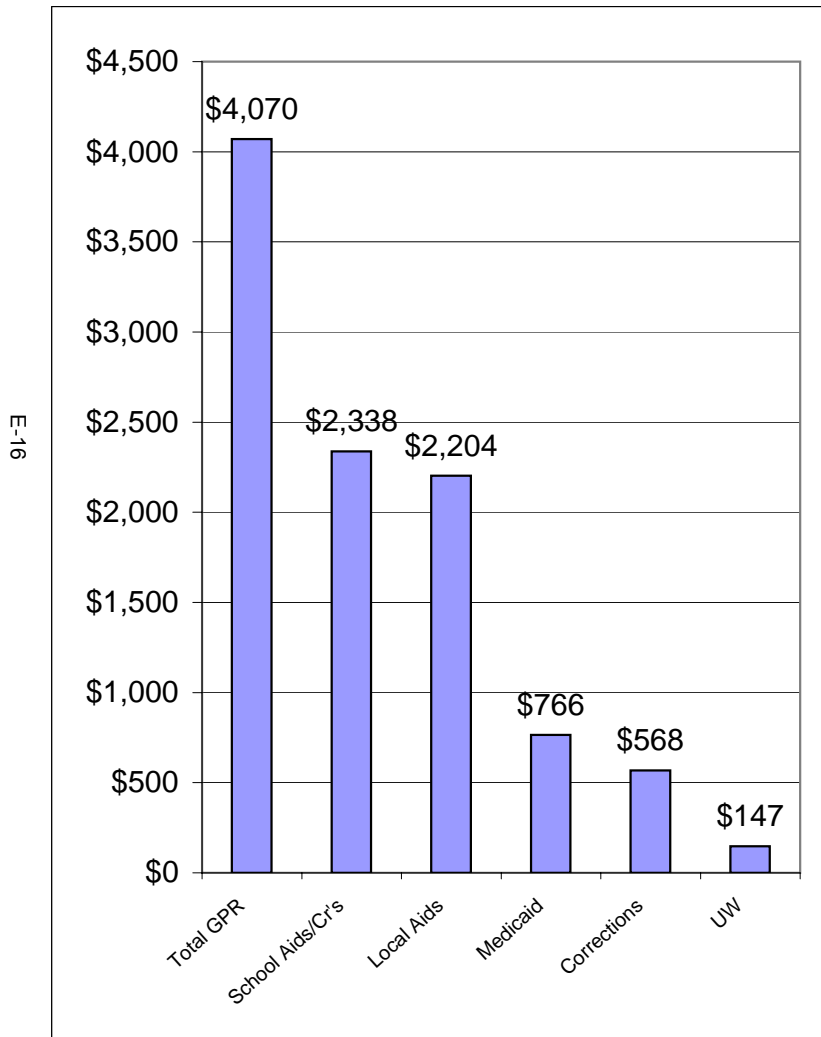
^aIncludes K-12 school aids, shared revenues and property tax credits as well as categories not separately listed.

Source: 1975-1993 data per Wisconsin Taxpayers Alliance from Wisconsin Department of Administration, "Annual Fiscal Reports," 1994 - 2005 data per "Annual Fiscal Reports", UW System Administration.

^b2005-06 are not yet available.

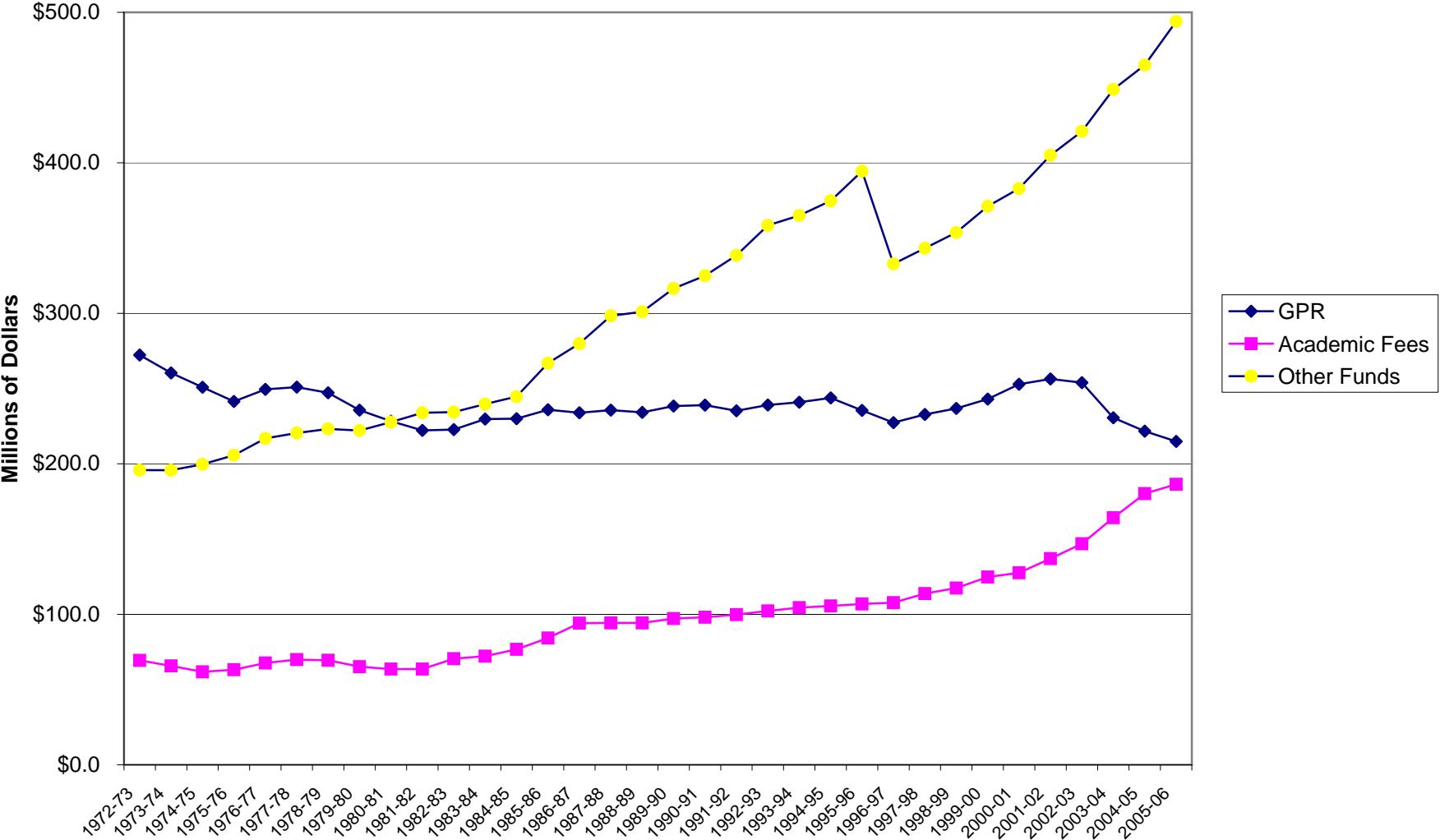
"State Priorities Have Shifted Away From Higher Education..."

Ten Years of Spending Growth
By GPR Category, FY 1995 - 2005
in Millions and Percents, State Annual Fiscal Report

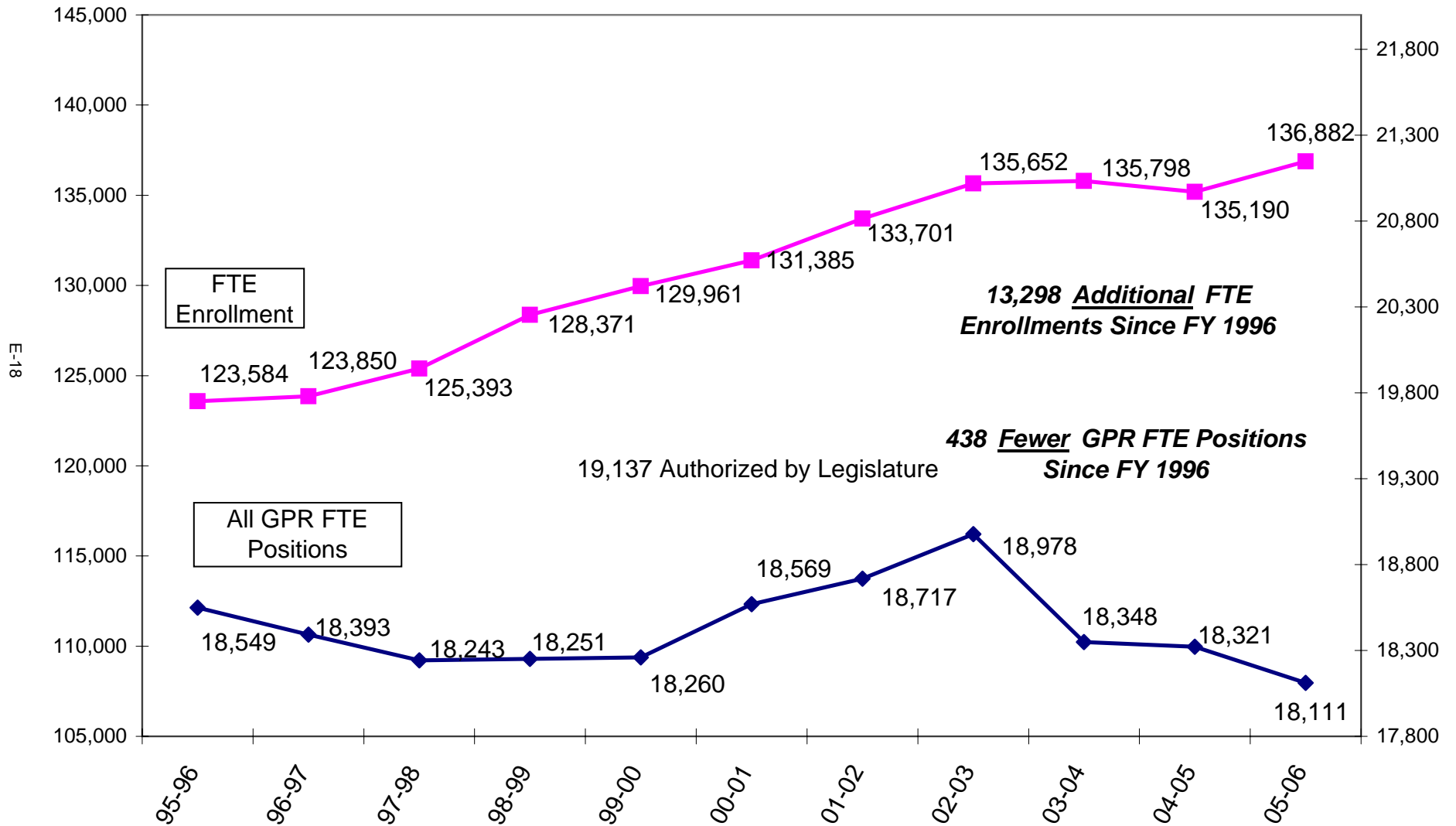


UW System GPR, Fees and Other Funds
Adjusted for Inflation 1972-73 to 2005-06

E-17



UW SYSTEM FTE ENROLLMENTS VS GPR FTE



GLOSSARY OF TERMS

AODA - Alcohol and Other Drug Abuse - Programs and staff related to alcohol and drug abuse intervention, prevention and counseling services.

AOP - Advanced Opportunity Program - A UW System financial aid program for minority and economically disadvantaged graduate students.

Auxiliary Operations - Self-sustaining programs, not directly related to instruction, e.g., dormitories, food service and student unions.

Cluster - A number of institutions grouped according to mission. The universities at Madison and Milwaukee comprise the Doctoral Cluster. All other degree-granting institutions in the UW System are in the Comprehensive University Cluster. In addition, the UW System has thirteen two year University of Wisconsin Colleges and Extension.

CWS - College Work Study - A campus based financial aid program which provides financial assistance in the form of subsidized employment to needy students.

Compensation - Salaries and fringe benefits paid to staff.

1. Pay plan - Increases in salaries and related fringe benefits provided to all state employees.
2. Merit/Market - Salary increases based on a systematic performance evaluation program which identifies positive contributions by the faculty member to teaching, research, public service and/or the support functions inherent in the institution's mission.
3. Solid Performance - Adjustments provided to those faculty and academic staff who have demonstrated satisfactory performance.

CPI - Consumer Price Index - A price index which measures the rate of inflation on goods and services that people buy for day-to-day living.

Continuing Appropriation – An appropriation from which expenditures are limited by only the amount of revenues received. The amount shown in the appropriation schedule is an estimate of, rather than a limit on, the amount that may be expended during the fiscal year.

Cost Per Student - A series of calculations used to derive the instructional costs of student related activities (i.e. student services, physical plant, instruction, etc.).

Debt Service - Principal and interest payments on the capital raised by selling bonds for construction of university buildings.

DIN - Decision Item Narratives - are descriptive summaries of biennial budget requests, submitted on forms required by the Department of Administration. They include background information and a description and justification of the request.

DOA - Department of Administration - Executive agency responsible for developing the Governor's biennial budget recommendations and for providing and coordinating support services to other state agencies.

DPI - Department of Public Instruction - Executive agency responsible for the direction and supervision of the state's public school system for kindergarten through 12th grades.

DRI - Data Resources, Inc. - An economic consulting firm used by the Department of Revenue for economic forecasts on national economic growth and inflation (CPI).

Expenditure Classification - The major line item to which costs are assigned. The major expenditure classifications are Salaries and Wages, Fringe Benefits, Supplies and Expenses, Permanent Property, Aids to Individuals, and Debt Service.

FTE - Full-Time Equivalent - The customary statistic for indicating the number of full-time equivalent students or staff represented by a group of part-time and full-time members.

Funds 101-106 – Specific subsets of the UW System's general program operations appropriation [s. 20.285(1)(a)]. Fund 101 includes funding for the doctoral institutions, Fund 102 includes funding for the comprehensive institutions, Fund 103 includes funding for UW Colleges, Fund 104 includes funding for UW-Extension and for Extension programs conducted at each institution, Fund 105 includes facilities maintenance funding for all institutions that own facilities, and Fund 106 includes funding for systemwide operations.

GPR - General Purpose Revenue - The State appropriation approved by the Governor and Legislature from the General Fund (general tax revenues).

GPR/Fees - The pool of state general purpose revenues and academic tuition fund sources assigned to a particular campus or system budget increment.

GPO - General Program Operations - The pool of four fund sources (GPR, Tuition/Fees, Federal Indirect Cost Reimbursement and General Operating Receipts) assigned to a particular campus or system budget increment.

HEAB - Higher Educational Aids Board - Executive agency responsible for the management of the state's financial aid system affecting students in public and private postsecondary institutions.

HEPI - Higher Education Price Index - A price index which measures the rate of inflation on the current operations of colleges and universities. The HEPI reports the change in prices paid by institutions for a fixed group of goods and services purchased for educational and general operations, such as faculty and administrators salaries, supplies and materials, books and periodicals, equipment, etc., less expenditures for sponsored research.

JCOER - Joint Committee on Employment Relations - Legislative committee comprised of 8 legislative leaders from both houses responsible for issues related to state employment relations.

JFC - Joint Committee on Finance - Legislative committee comprised of 8 senators and 8 representatives responsible for making recommendations regarding fiscal matters affecting all state operations.

LUMRG - Lawton Undergraduate Minority Retention Grant - A UW System administered financial aid program for needy Wisconsin resident and Minnesota Compact sophomore, junior, or senior minority students.

OSER – Office of State Employment Relations – Office in DOA responsible for personnel and employment relations policies and programs for the state.

Program - The budget activity to which costs are assigned. Examples of programs are Instruction, Research, Public Service, Academic Support, Student Services, and Institutional Support (Administration).

PR - Program Revenue - Revenues which are received to finance specified programs, e.g. Extension continuing education.

PR-F - Program Revenue-Federal - Monies which are received from the federal government.

QRP - Quality Reinvestment Program - A Board of Regents strategic plan identifying top quality educational priorities over a three year period (1992-1994). Over the three years UW institutions reallocated \$26.5 million to top priorities: compensation, S&E, learning technologies, libraries, assessment, engineering and professional development.

S&E - Supplies and Expense - Includes all expenditures except those for personnel salaries, fringe benefits and permanent property items (capital equipment defined as having a useful life of at least 2 years and a unit price of at least \$1,000). Supplies and expense would include items such as classroom supplies, travel expenses, office supplies, photocopying, computer software, equipment repair, and telephone service.

SEG - Segregated Revenue - Monies which are segregated in a fund by law and are available only for the purposes of that fund, such as the Trust Fund Income appropriation.

Student Share of Costs - The proportion of the cost per student paid by student academic tuition. This amount is usually shown as a percentage of total costs.

SUF - Segregated University Fee - Charges to students in addition to academic tuition and fees assessed to all students for support of special services, programs, and facilities; e.g. student unions/centers, and health services. The institutional body designated to review the

budgets for SUF supported activities is the Segregated University Fee Allocation Committee (SUFAC).

TIP - Talent Incentive Program - A HEAB administered financial aid program which provides financial assistance to especially needy resident undergraduates attending public or private postsecondary institutions in Wisconsin.

Tuition - As used in this document, tuition is the amount paid by all students for support of their instructional costs.

WTCS - Wisconsin Technical College System - Postsecondary educational system which provides adult basic, manpower training, job skill improvement, apprenticeship-related training, college transfer, and allied educational activities. The WTC System is governed by a 12 member board which supervises curriculum standards and operations of 16 regional WTCS districts.

Weighted Average - An average used to take into account different charges/costs for factors that affect how much significance should be given to each UW System institutions cost/charge. For example, the systemwide weighted average student budget takes into account the differences in student FTE for tuition costs and segregated fees, and number of occupants for room rates, etc. at each institution.

WHEG - Wisconsin Higher Education Grant - A HEAB administered financial aid program which provides need-based grants to UW System and WTCS resident undergraduate students.

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.1. Education Committee - Thursday, August 17, 2006
1820 Van Hise Hall
1220 Linden Drive, Madison
1:00 p.m.

9:00 a.m. All Regents

- Lieutenant Governor Barbara Lawton: Wisconsin Leadership in Liberal Education and America's Promise.

10:00 a.m. All Regents

- "Building on a Great Idea: Elaborating the Benefits of Higher Education in Wisconsin"
Presentation by John C. Burkhardt, Director of the National Forum on Higher Education for the Public Good at the University of Michigan.

11:00 a.m. All Regents

- 2007-2009 Biennial Operating Budget.
[Resolution I.A. to adopt 2007-2009 Biennial Operating Budget]
- 2007-2009 Biennial Capital Budget.
[Resolution I.B. to adopt 2007-2009 Biennial Capital Budget]

12:30 p.m. Box Lunch

1:00 p.m. Education Committee – 1820 Van Hise

- Approval of the minutes of the June 9, 2006, meeting of the Education Committee.
- Education Committee Planning for Academic Year 2006-07.
- Program Authorizations:
 - B.S. in Microbiology, UW-Milwaukee;
[Resolution to adopt I.1.c.(1)]
 - B.S. in Health Science, UW-Stevens Point.
[Resolution to adopt I.1.c.(2)]
- Revised Faculty Personnel Rules:
 - UW-Whitewater;
[Resolution to adopt I.1.d.(1)]
 - UW-Extension.
[Resolution to adopt I.1.d.(2)]
- UW-Milwaukee Charter School Contract Extension for Milwaukee College Preparatory School.
[Resolution to adopt I.1.e.]
- Authorization to Recruit: Provost and Vice Chancellor, UW-Eau Claire.
[Resolution to adopt I.1.f.]

- g. Progress Report: UW System Waukesha Study.
- h. Report of the Senior Vice President for Academic Affairs:
 - i. Annual Program Planning and Review Report;
 - ii. 2006 UW System Research and Public Service Report;
[Resolution to adopt I.1.h.(2)]
 - iii. Report on 2005 Undergraduate Drop Rates.
[Resolution to adopt I.1.h.(3)]

Additional items:

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

Program Authorization (Implementation)
B.S. in Microbiology
University of Wisconsin-Milwaukee

EDUCATION COMMITTEE

Resolution I.1.c.(1):

That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.S. in Microbiology.

**NEW PROGRAM AUTHORIZATION
BACHELOR OF SCIENCE IN MICROBIOLOGY
UNIVERSITY OF WISCONSIN-MILWAUKEE
(IMPLEMENTATION)**

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the procedures outlined in the *University of Wisconsin System Guidelines for Academic Program Planning and Approval* (ACIS-1.0 revised), the new program proposal for a Bachelor of Science in Microbiology at the University of Wisconsin–Milwaukee is presented to the Board of Regents for consideration. If approved, the program will be subject to a regent-mandated review to begin five years after its implementation. The University of Wisconsin-Milwaukee and System Administration will conduct that review jointly, and the results will be reported to the Board.

The Department of Biological Sciences at the University of Wisconsin-Milwaukee is a broad-based, interdisciplinary department that was formed in 1985 by the merger of the Departments of Botany and Zoology with the Microbiology Program. A new biological sciences major with general biological sciences and microbiology options was developed at that time. The proposed microbiology program establishes microbiology as a distinct major that will prepare students in southeastern Wisconsin for many career paths, including participation in the development of the biotechnology industry in the metropolitan area. It will more clearly reflect to potential employers the real nature of the major and will improve visibility of the program for both students and employers.

REQUESTED ACTION

Approval of Resolution I.1.c.(1), authorizing the implementation of the B.S. in Microbiology, UW-Milwaukee.

DISCUSSION AND RECOMMENDATION

Program Description

The proposed microbiology program will be housed in the Department of Biological Sciences. It will replace the existing microbiology option. The curriculum, which is consistent with the curriculum guidelines of the American Society for Microbiology, will require 35 credits in the biological sciences, 20 of which are in microbiology, including the research capstone. In addition, students will complete at least 18 credits in Chemistry, 9 credits in Physics, and at least 4 credits in Math. As a liberal arts degree program in the College of Letters and Science, the microbiology program will require students to meet all requirements for a 120-credit baccalaureate degree.

Objective and Learning Outcomes

Students in the program will master the following learning outcomes common to all biological sciences majors:

1. Describe and apply a broad base of biological information and concepts including societal and ethical questions related to biology.
2. Apply the scientific method to biological questions and demonstrate the ability to critically evaluate experimental design, as well as to create and interpret numerical and graphical data used in sophisticated research.
3. Use diverse field and laboratory skills to investigate scientific questions. This includes an understanding of and proficiency in the use and application of an array of biological instruments and procedures.
4. Use available resources to retrieve scientific information.
5. Synthesize, integrate, and communicate scientific information to other scientists, students, and the general public.
6. Demonstrate an appreciation of the patterns and processes of life and articulate clearly why evolution is the unifying concept in biology.

The following are additional learning outcomes of the microbiology major:

1. Students will exhibit proficiency in the foundations of microbiology.
2. Students will exhibit, specifically in the context of microbiological research, proficiency in the scientific method of investigation and hypothesis testing, the development of theoretical and practical skills in the design and execution of experiments, and the development of oral and writing skills necessary for the effective communication of experimental results and/or scientific principles.

Relation to Institutional Mission

In keeping with UW-Milwaukee's mission, the microbiology program seeks to prepare students to enter the world as informed, responsible citizens with the skills necessary to adapt to an increasingly complex world and to contribute meaningfully to their communities and workplaces. As part of the College of Letters and Science, the program seeks out, preserves, and transmits knowledge, and fosters critical thinking and a deeper understanding of subject matter that facilitates the transfer and application of knowledge. The program will address the University's mission and address its academic goals by meeting the following objectives:

- Providing residents of southeastern Wisconsin with a curriculum preparing them for advanced studies in microbiology or a career in the growing field of biotechnology;
- Furthering undergraduate research within the Department of Biological Sciences;
- Producing graduates who will fill a growing need for trained microbiologists in the biotechnology industry;

The program will also showcase UW-Milwaukee in the biotechnology arena, which is consistent with the College of Letters and Science goal of increasing the prominence of the institution in the field of biotechnology.

Diversity

Consistent with the mission of UW-Milwaukee “to further academic and professional opportunities at all levels for women, minority, part-time, and financially or educationally disadvantaged students,” individuals of diverse backgrounds will be encouraged to pursue studies in the microbiology major. The Department of Biological Sciences has been successful in attracting women and minority students to its major. Women are well represented among the graduates of the current microbiology option, but the department needs to improve recruitment, retention, and graduation of minority students. In order to increase the diversity of its students, faculty and staff members in the proposed program will participate in targeted recruitment, arrange meetings with academic advisors, and develop closer ties with special programs at UW-Milwaukee designed to assist minority students.

Creating a welcoming environment is a key factor in attracting and retaining a diverse student population. Of the ten faculty members who will be involved in the proposed program, two are female, two are Asian, and five are immigrants to the United States. The department’s teaching assistants, who have contact with students in their freshman and sophomore years, include African American, Hispanic, and Asian individuals as well as women. The visibility of female and minority instructors serves to demonstrate to students that the Department celebrates and supports diversity and provides positive role models for women and students of color. Course and program assessment data will enable the Department to identify areas that are especially problematic for women and/or students of color so that adjustments can be made that will help students to succeed in greater numbers.

Need

There is an ongoing need for graduates trained in microbiology. While the U. S. Bureau of Labor statistics does not make employment projections for microbiologists in particular, it is informative to evaluate projections for biological scientists and medical scientists—two occupations that overlap with and include microbiology. The projected ten-year growth in these occupations for 2002-2012 is predicted to be 21-35 percent for medical scientists, and 10-20 percent for biologists.

Wisconsin has a long history in microbial-based industries. Biotechnology is a rapidly growing industry in the United States and in Wisconsin. At the second Wisconsin Economic

Summit, held in Milwaukee in 2001, biotechnology was identified as one of the industrial clusters to serve as the basis for economic development in Wisconsin. Microbiology is central to biotechnology, especially in Wisconsin. Evidence for the importance of microbiology in Wisconsin include the fermentation production of both commodity and specialty products by companies such as Bio-Technical Resources in Manitowoc and Milwaukee-based Molecular Biology Resources, Wisconsin Bioproducts, and Lasaffre Company/Red Star Yeast. Other regional companies involved in biotechnology include: Abbott Laboratories in Abbott Park, IL; Pierce Chemical Co. in Milwaukee and Rockford, IL; and Promega, EMD Novagen, and Invitrogen in Madison. In addition, Abbott Laboratories has plans to build a new facility in southeastern Wisconsin.

Comparable Programs

Several UW System institutions offer degrees that are similar to the proposed microbiology major. The proposed program will focus on general microbiology and biotechnology. It is most similar to that offered by the Department of Bacteriology at the UW-Madison. In evaluating the request for an entitlement to plan a major in microbiology, UW-Madison Dean Elton Aberle of the College of Agricultural and Life Sciences stated, “The proposed BS degree in Microbiology would be very similar to the BS in Bacteriology offered in the College of Agricultural and Life Sciences at UW-Madison. Even with this degree of duplication with programs at UW-Madison and elsewhere in the UW System, I believe a BS degree in Microbiology at the UW-Milwaukee would be beneficial for the System and the State of Wisconsin. Microbiology training is one of the core competencies required for the high-technology, biological-based industries that are growing in Wisconsin. There appears to be demand for more students with this type of training than we are producing today.” UW-Parkside offers a BS in molecular biology and bioinformatics that prepares students for careers in aspects of biotechnology. It has a different emphasis than the proposed program and requires only four credits in microbiology. The growing demand in southeastern Wisconsin is expected to absorb graduates of both programs.

There are a number of microbiology programs in neighboring states. None of these directly serves southeastern Wisconsin, and only those within the University of Minnesota System would offer tuition reciprocity for Wisconsin residents. The University of Minnesota, Twin Cities, offers a B.A. and a B.S. in microbiology intended to prepare students for work as practicing microbiologists or for graduate work.

Collaboration

UW-Milwaukee not only draws students from southeastern Wisconsin, it is also a destination for many transfer students, especially from within the UW System. It will be possible for students to initiate their studies at another campus, especially at one of the UW Colleges, and transfer into the proposed program. The microbiology faculty will work with interested campuses to integrate the curricula of these institutions to ensure seamless transfer. The same kind of collaboration can be undertaken with Milwaukee Area Technical College (MATC). The program faculty will review its college-parallel course offerings to determine which courses MATC students should take to prepare them for transfer into this program. The

microbiology faculty will also investigate the possibility of collaborating with UW-Parkside in teaching and/or research. If courses are identified that will serve students at both institutions, the close proximity will facilitate sharing those courses.

It is expected that many graduates of this program will enter graduate study, some at UW-Madison. By collaborating with the UW-Madison program to monitor the performance of UW-Milwaukee's graduates, it will be possible to identify areas of the major that need to be strengthened or topics that need to be added to ensure that UW-Milwaukee's students have the best possible preparation for graduate study.

Microbiologists at UW-Milwaukee participate in collaborative research with colleagues at UW-Madison, the Medical College of Wisconsin, Marquette University, and in industry. Students who participate in independent study may participate in this collaborative research.

Use of Technology/Distance Education

The use of scientific instruments is an integral part of the major. Specific instruction concerning the use of instrumentation will be included in three courses. The Department of Biological Sciences has two computer labs that are used for instruction in various courses, and microbiology instructors use the "Desire to Learn" course management program to make class notes and other resources available online for students. Upper-division science classes in general, and laboratory classes in particular, are not well suited for internet delivery. There are no plans, therefore, to deliver any part of this program through distance education. However, the internet will supplement in-person instruction. This will be facilitated by the UW-Milwaukee Learning Technologies Center.

Academic and Career Advising

Each student in the major will be assigned a faculty advisor. The advisors will assist students enrolled in the program with the development of career goals and the selection of appropriate courses to further those goals. Additionally, by providing a forum for a faculty member to meet with students individually or in a small group, the research capstone experience (in Bio Sci 495, 671, or 698) will provide opportunities for career advising. Finally, the UW-Milwaukee Career Development Center will assist graduates seeking employment.

Enrollment Projections

Year	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
New Students Admitted	12	12	13	14	15
Continuing Students	9	14	17	19	20
Total Enrollment	21	26	30	33	35
Graduating Students*	5	7	8	10	12
Attrition	2	2	3	3	3

*Graduates in the first three years will be students who changed from the microbiology option to the major

Assessment and Program Evaluation

The program's success in meeting both departmental and major goals will be assessed in a number of ways. The microbiology faculty will compile and evaluate data collected in student portfolios consisting of exams from required microbiology courses and reports prepared in research capstone courses. Analysis of responses to specific exam questions in required courses will indicate the extent to which students as a whole have mastered the foundations of microbiology. The major requires that all students must complete a research capstone experience. Student performance within that experience provides a forum for the integrated assessment of students' knowledge and skills. For students completing internships, reports will be collected from both students and employers. The evaluation of these reports will indicate how well students are prepared academically to function in a practical setting.

Exit interviews will be conducted with graduating students. These interviews will be aimed at determining students' perceptions of the strengths and weaknesses of program. In addition to feedback about general requirements and specific courses within the major, students will be asked to provide their assessment of how well prepared they feel for graduate study and/or entry into the workplace. Tracking post-graduation activities of students who majored in microbiology will allow the faculty to determine how well the graduates compete for entry into graduate school and into careers in microbiology.

Alumni will be surveyed to ascertain their perspectives on the quality of their experience after they gain some distance from the program and some post-graduate experience. The faculty also will seek feedback from employers at area companies where many graduates are expected to be employed concerning the graduates' technical/scientific background, oral and written communication abilities, and creative thinking skills.

A subcommittee of the program faculty committee will be charged with collecting all assessment data. This information will be reviewed annually by the entire program faculty committee in order to identify strengths and weaknesses in program content, instructional methods, and academic advising. The program faculty committee will make recommendations to the Department faculty concerning changes in the major that will address weaknesses. Changes may involve modifying the content of existing courses, creating new courses, altering instructional techniques, and/or changing the requirements for the major. Assessment data also will provide information on strengths of the program, such as successful teaching techniques, ways of organizing and presenting information, and models of assignments and exams that can be implemented in other parts of the program.

Because communication and critical thinking skills are College of Letters and Science goals, any problems in these skills identified in the assessment process will be addressed in consultation with the College's curriculum committee. The process of assessing the major also may identify a lack of sufficient data to assess one or more learning outcomes, which will alert the faculty that the assessment process itself needs to be improved.

Evaluation from External Reviewers

The proposal was reviewed by professors of microbiology from Ohio State University and Southern Illinois University. Both reviewers commented on the quality of the faculty and the soundness of the curriculum. In response to the recommendation of one of the reviewers, general microbiology was moved to the sophomore year in the proposed model curriculum.

Resource Needs

No additional funding is required to support the proposed microbiology program. It will replace the microbiology option and will utilize the resources currently available to the option. The ten faculty members and one academic staff member currently teaching in the microbiology option will be assigned to the program.

While it is anticipated that this program will grow, the effect will be felt primarily in slightly increased enrollments in relevant courses and in increased faculty advising. For modest increases, there is currently adequate capacity. A teaching academic staff person will be required to support advising if the enrollment in this program continues to grow as expected. Tuition revenue generated by the increased enrollments will support this position.

BUDGET
Estimated Total Costs and Income

	FIRST YEAR		SECOND YEAR		THIRD YEAR	
CURRENT COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel						
Faculty/Academic Staff	3.5 ¹	\$147,465 ²	3.5 ¹	\$151,889 ²	3.5 ¹	\$156,446 ²
Graduate Assistants						
Classified Staff	0.2 ³	\$6,366 ⁴	0.2 ³	\$6,557 ⁴	0.2 ³	\$6,754 ⁴
Non-personnel						
S&E		\$10,500 ⁵		\$10,500 ⁵		\$10,500 ⁵
Capital Equipment						
Library						
Computing		\$200		\$200		\$200
Other: Student Help		\$1,500		\$1,500		\$1,500
Subtotal		\$166,031		\$170,646		\$175,400
ADDITIONAL COSTS (Specify)	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel					(1.0) ⁶	(\$60,876) ⁶
Nonpersonnel: Laboratory modernization				\$2,200		
Other						
Subtotal		0		\$2,200		
TOTAL COSTS		\$166,031		\$172,846		\$175,400
CURRENT RESOURCES						
GPR		\$166,031		\$170,646		\$175,400
Gifts and Grants						
Fees						
Other (Define)						
Subtotal		\$166,031		\$170,646		\$175,400
ADDITIONAL RESOURCES						
GRE: Laboratory Modernization funds				\$2,200		
Gifts and Grants						
Fees						
(Other: tuition revenue, if enrollment increases warrant						(\$60,876) ⁶
Subtotal		0		\$2,200		
TOTAL RESOURCES		\$166,031		\$172,846		\$175,400

¹FTE based on 1 FTE academic staff member and 10 faculty members devoting 25% time (2.5 FTE) to this program.

²Salary cost based on actual salaries, including 33.5% for fringe benefits; assumes 3% inflation per year.

³FTE based on one classified staff member devoting 20% time to this program.

⁴Salary cost based on actual salary, including 45% for fringe benefits; assumes 3% inflation per year.

⁵Portion of existing department S&E that supports microbiology option.

⁶One FTE academic staff member will be hired for advising, internship coordination if enrollments rise to a level that requires additional staff; additional tuition revenue will support the position.

RECOMMENDATION

The University of Wisconsin System recommends approval of Resolution I.1.c.(1), authorizing the implementation of the B.S. in Microbiology, University of Wisconsin-Milwaukee.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review (November 10, 1995), Academic Informational Series #1 (ACIS-1.0 revised; revised February 10, 2006).

Program Authorization (Implementation)
B.S. in Health Science
University of Wisconsin-Stevens Point

EDUCATION COMMITTEE

Resolution I.1.c.(2):

That, upon recommendation of the Chancellor of the University of Wisconsin-Stevens Point and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.S. in Health Science.

**NEW PROGRAM AUTHORIZATION
Bachelor of Science in Health Science
University of Wisconsin-Stevens Point
(IMPLEMENTATION)**

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the procedures outlined in Academic Planning and Program Review (ACIS-1.0 revised), the new program proposal for a Bachelor of Science in Health Science (BS-HS) at UW-Stevens Point is presented to the Board of Regents for consideration. If approved, the program will be subject to a regent-mandated review to begin five years after its implementation. The institution and System Administration will conduct that review jointly, and the results will be reported to the Board.

The BS-HS will prepare students either for admission into graduate programs in health sciences, such as physical therapy and occupational therapy, or for entry-level positions into health-related industries, such as pharmaceutical sales, insurance, information system management, or health care administration. The program was developed in response to a regional need for health care workers following the expansion of the three major health provider networks located in central Wisconsin, and to meet UW-Stevens Point student demand for additional options within the health care field at the baccalaureate level.

REQUESTED ACTION

Approval of Resolution I.1.c.(2), authorizing the implementation of the B.S. in Health Science, UW-Stevens Point.

DISCUSSION

Program Description

The Bachelor of Science in Health Science will prepare students with an interdisciplinary and liberal arts foundation for a variety of professional careers within health care provider systems. The program will be housed in the College of Professional Studies. The common core requirements emphasize the human, behavioral, and physical sciences, and foster an appreciation of the complexities of the health care system. Students select one of four specific options of study: pre-physical therapy, pre-occupational therapy, health care administration, or health care informatics. The 44-54 credit major will be comprised of 24 credits of required core courses, and 20-30 credits of courses within a selected option. In addition, 36 general education credits will be specified for completion by students in the major. The remaining general education requirements and electives will complete the 120 credits required for a Bachelor of Science Degree at UW-Stevens Point. By completing specific options within the proposed program, students will satisfy pre-requisite requirements for entry into graduate programs in physical therapy, occupational therapy, health care informatics, business administration, and health services, policy, and administration.

The targeted student populations for the BS-HS include:

1. Practicing professionals with technical college degrees.
2. Place-bound adults seeking to complete a baccalaureate degree in the high demand areas of health care.
3. Students seeking a baccalaureate program to prepare them for specific health care professions at the graduate level.
4. Current UW-Stevens Point, technical college and UW Colleges students.

Program Objectives & Learning Outcomes

Upon completion of the BS-HS, each student will be able to:

1. Relate theoretical constructs from the biological, physical, social, and behavioral sciences to the delivery of health care.
2. Use professional standards in written, verbal, and nonverbal communication to interact with peers and interdisciplinary professionals.
3. Understand the various contexts within which health care is delivered in today's society, how health care systems have evolved, and inherent problems within existing systems.
4. Understand moral and ethical theory as it relates to current issues in the health care system.
5. Compare and contrast the various health care fields of study and their associated scopes of practice and expertise.
6. Apply principles of research to the study of health care issues.
7. Participate in and interpret research studies.
8. Analyze the concept of cultural diversity and its impact on the preparation of health care professionals and the delivery of health care.
9. Demonstrate proficiency in self-learning and the capacity for continuous professional growth.
10. Evaluate current issues of care delivery through the linkage of scientific theory with targeted outcomes.
11. Synthesize his/her knowledge base toward collaborative problem-solving of health care issues through case studies.
12. Demonstrate the transfer of effective computer technology skills and data management from the classroom to applications in health care delivery models.

Additional learning outcomes will be identified for each of the options within the program.

Relation to Institutional Mission

The BS-HS degree program addresses the mission of UW-Stevens Point to prepare baccalaureate graduates needed within its service area, central and northern Wisconsin. UW-Stevens Point is located in close proximity to three major health care corporations and primary employers, in addition to many smaller institutions. Currently UW-Stevens Point offers health-related majors in specialized fields of Clinical Laboratory Science (CLS), Athletic Training, Dietetics, Communicative Disorders, and Health Promotion. In response to area health care facilities and based upon population

educational levels surveys conducted by the Madison Economic Development Council, officials at UW-Stevens Point have identified, as part of the institution's strategic plan, the need to expand health care major options and increase the numbers of baccalaureate-prepared individuals for employment in health care in northern and central Wisconsin.

Diversity

The BS-HS will adopt the recruitment plan for the Clinical Laboratory Science (CLS) major, which has been effective. The percentage of students of color in the CLS major is double the percentage of students of color in the general university population. CLS Faculty and staff work on various projects designed to encourage K-12 students of color, especially Hmong-Americans, to enter health fields. They participate in presentations and interactive workshops addressing career opportunities in health care for Upward Bound students, pre-college Hmong Youth in grades 7-9, and Women in Science activities for grades 8-10. Faculty members were actively involved in the Northern Wisconsin Area for Health Education Center Dimensions on Diversity workshop. This is particularly important in the UW-Stevens Point service area because of the large number of first- and second-generation Hmong students living in central Wisconsin. According to the 2004 DPI database, 23.2 percent of students in the Wausau public schools are of Asian descent. A direct recruitment effort is planned for the Wausau area high schools and technical college. In addition, university-wide recruitment efforts focus on the urban areas in southeastern Wisconsin, where the population diversity is greater than in other areas of the state. The proposed program will provide an additional choice to potential students from that region of the state.

Using an integrated curricular approach to foster a climate that is welcoming and safe for underrepresented minorities, the BS-HS will also integrate diversity as it relates to developmental processes, health, and disease. Students in the program will have opportunities to work in health care facilities serving Native Americans.

Need

There are more than 300 students currently enrolled at UW-Stevens Point with documented interest in health care careers, but for many of these students there is no appropriate major for their career interest. A needs-analysis of area health care institutions and research into current and future trends in health care on the regional, state, and national levels verified the necessity of increasing the numbers of baccalaureate-prepared health care workers. The employer requirements for a well-educated workforce have increased with the opening less than one year ago of a new tertiary hospital 30 miles north of the campus, and the recent proliferation of ambulatory care centers within the three major health care systems serving the region. The proposed program is designed to help meet those requirements. Currently, Mid-State Technical College in Wisconsin Rapids and Northcentral Technical College in Wausau provide the preponderance of health care workers prepared at the associate and technical levels. Faculty and staff from these institutions have expressed keen interest in establishing articulation agreements that will allow the transition of students from the associate degree level to the baccalaureate degree in Health Sciences.

Comparable Programs

There is no other health science major in the UW System. UW-Milwaukee has several undergraduate majors within its College of Health Sciences, but does not have a common core of courses within a health science major. UW-Green Bay offers a Human Biology Major that comprises several areas of emphasis, including General Human Biology, Health Science, Exercise Science, Cytotechnology, and Nutritional Sciences. The UW-Green Bay program has the Health Science emphasis but does not have a common core of courses, and it does not include Health Care Administration, Health Care Informatics, or specific programs of study for Pre-Physical Therapy and Pre-Occupational Therapy.

Nationally, there are health science majors within departments of allied or health sciences. Most differ from the major proposed here in their organization and areas of concentration. For example, concentrations in gerontology and health management are available at Ohio State University. Students from these programs also seek either entry-level positions in health care or matriculate into graduate programs. A program in New York State offers up to ten areas of concentration, many of which lead to matriculation into technical diploma programs such as pharmacy technician or medical dosimetry.

Collaboration

Articulation agreements will be designed for two-year campus and technical college students desiring the baccalaureate degree. For example, holders of health occupations associate degrees such as health care administration, radiology technology, or respiratory therapy may earn the Health Science degree, effectively increasing their marketability and depth of knowledge.

Future plans include collaborating with UW System institutions to examine special admission of UW-Stevens Point health science graduates to physical and occupational therapy professional programs and graduate study in health care administration and informatics.

Use of Technology /Distance Education

The Health Science major will be offered initially as a campus-based program. Courses have been designed to be easily converted to a web-based hybrid or distance education format. With sufficient numbers of students, courses would be offered at off-campus sites.

Academic and Career Advising

Academic and health career advising will be provided by Department of Health Science advisors. The advisors are faculty and academic staff with health care backgrounds and experience as health care professionals. Additional support will be offered through the UW-Stevens Point Student Academic Advising Center, which works with undeclared majors and students in transition, and the UW-Stevens Point Career Counseling Center.

Projected Enrollment

Projected enrollments were based on the number of students advised in health care careers over the past two years. It is expected that there will be a balance between attrition and students declaring the major later in their academic careers.

PROJECTED ENROLLMENT – 5 YEAR

<i>Year</i>	<i>Implementation Year 2006-2007</i>	<i>2nd Year Year 2007- 2008</i>	<i>3rd Year Year 2008- 2009</i>	<i>4th Year Year 2009- 2010</i>	<i>5th Year Year 2010- 2011</i>
<i>New students admitted</i>	10	30	50	50	50
<i>Continuing students</i>	40	45	63	99	135
<i>Total Enrollment</i>	50	75	113	149	185
<i>Graduating students</i>	0	4	9	9	45

Assessment and Program Evaluation

UW-Stevens Point policy requires that each department revise its program assessment plan every four years. The plans are approved by the dean and provost. During the first year of implementation, the Health Science major will develop a process by which the student learning objectives are specifically assessed and indicate how the results will be used for program revision and development. Based upon the assessment plan, a comprehensive assessment report will be generated by the Health Science Department and formally evaluated by the UW-Stevens Point Assessment Committee every two years.

Methods to assess the BS-HS will utilize several measurements to monitor course and program quality. Program objectives will be measured against predefined benchmarks of success, including diversity demographics, grade point averages, employment placement rates, employer satisfaction surveys, rates of acceptance into graduate school, and alumni surveys. Student learning outcomes will be assessed and monitored using direct measures consisting of examinations, course-embedded assessments, and other learning activities reflective of student performance. As measurements are completed, the results will be shared with faculty and academic staff within the department to enable continual quality improvement and early identification of problematic situations. The assessment plan and methods to be used have been incorporated into the curriculum development. This provides assurance that each course will satisfy the objectives for which it was created and that these objectives will be measured among different instructors.

Assessment reports prepared by the department chair will summarize the results of each of the measurements, include interpretation and implication analysis of the results, and conclude with a plan

of action. An advisory committee made up of faculty and external members will monitor the implementation of the program, review the assessment reports, and provide advice to the department based upon the perspectives of its members. The Health Science program will be assessed at the course level every semester through required student evaluations which are reviewed by the department chair.

Evaluation from External Reviewers

Both external reviewers confirmed the need to provide access to preparation for health careers and baccalaureate level programs for students living in rural areas of the state in order to meet the current and upcoming health care workforce shortages. An academician and administrator within a large health division of the UW System expressed support for the program and indicated a willingness to develop alliances and agreements with their current and developing graduate programs.

Resource Needs

The BS-HS will utilize several existing courses on campus. The equivalent of 2.75 full-time faculty are providing instruction in those courses. Eight new health science courses, totaling 24 credits, have been designed for this major. Providing instruction in the new courses, which will be phased in gradually, will require the equivalent of .58 full time faculty in the first year.

The new portion of this program will be self-supported. It will be administered through the Continuing Education (CE) division of the College of Professional Studies (CPS) and funded with the tuition revenue generated. The per-credit tuition will be set at a rate identical to undergraduate tuition. The College of Professional Studies is committing a base reallocation of \$2,500 for supplies and equipment and \$2,500 in one-time funds for start-up costs. A one-time allocation of \$44,843 from the Continuing Education Unit of the College of Professional Studies will be used for planning and administration in the first year of implementation of the BS-HS.

The institution is committed to maintaining the program as long as student and community demand continues. Using program revenue, new courses can be developed. The potential demand is large and is likely to continue as long as health care is a growing industry.

RECOMMENDATION

The University of Wisconsin System recommends approval of Resolution I.1.c.(2), authorizing the implementation of the B.S. in Health Science, UW-Stevens Point.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review (November 10, 1995), Academic Informational Series #1 (ACIS-1.0 revised; revised February 10, 2006).

BUDGET: Estimated Total Costs and Income

	FIRST YEAR (06-07)		SECOND YEAR (07-08)		THIRD YEAR (08-09)	
CURRENT COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel						
Faculty/Instructional Staff	2.75	\$209,179	2.75	\$215,454	2.75	\$221,918
Administrative Faculty						
Non-instructional Academic /Classified Staff						
Non-personnel						
Supplies & Equipment		\$250		\$250		\$250
Capital Equipment						
Library		\$250		\$250		\$250
Computing						
Subtotal (w/o benefits)		\$209,679		\$215,954		\$224,418
ADDITIONAL COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel						
Faculty/Instructional Staff	0.58	\$38,235	1.125	\$60,903	1.165	\$62,730
Administrative Faculty	0.59	\$32,192	0.5	\$32,051	0.5	\$33,012
Non-instructional (LTE)	0.5	\$13,830	0.5	\$14,245	0.5	\$14,673
Non-personnel						
Supplies & Equipment						
Capital Equipment						
Library						
Computing						
Subtotal (w/o benefits)		\$84,257		\$107,199		\$110,415
TOTAL COSTS		\$293,936		\$323,153		\$334,833
CURRENT RESOURCES						
GPR	\$209,679		\$215,954		\$224,418	
Gifts and Grants						
Fees						
Other (Define)						
Subtotal	\$209,679		\$215,954		\$224,418	
ADDITIONAL RESOURCES						
GPR Reallocation from College of Prof. Studies	\$2,500		\$2,500		\$2,500	
Gifts and Grants	\$44,843 (CE Unit of CPS)					
Course-generated Funds through CE branch of CPS	\$36,914		\$104,699		\$107,915	
Other (Define)						
Subtotal	\$84,257		\$107,199		\$110,415	
TOTAL RESOURCES	\$293,936		\$323,153		\$334,833	

Amendments to
Faculty Personnel Rules
University of Wisconsin-Whitewater

EDUCATION COMMITTEE

Resolution I.1.d.(1):

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

FACULTY PERSONNEL RULES UNIVERSITY OF WISCONSIN-WHITEWATER

EXECUTIVE SUMMARY

BACKGROUND

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

The proposed amendments to the UW-Whitewater Faculty Personnel Rules were developed and approved by the UW-Whitewater Faculty Senate throughout 2005 and 2006, and are recommended by Chancellor Martha Saunders. These revisions have also been reviewed by the UW System Office of the General Counsel and the Office of Academic Affairs.

The amendments to the UW-Whitewater Faculty Personnel Rules include both minor and major modifications, and are summarized below. The attached documents include only those sections of the revised and newly adopted rules in which more substantive changes have been made. Both the strike-out version and the clean copy of these sections are included. Complete versions of the original rules, with strike-outs indicating the old language and the new language underlined, and the revised rules are available online or upon request from the Office of the Board of Regents. Because of their length, and the fact that most of the changes are not substantive, the documents in their entirety are not included here.

REQUESTED ACTION

Approval of Resolution I.1.d.(1), authorizing the amendments to the UW-Whitewater Faculty Personnel Rules.

DISCUSSION

The revisions to the UW-Whitewater Faculty Personnel Rules include two types of changes. The first are corrections or minor modifications that seek to clarify UW-Whitewater Chapter III on the rules governing faculty appointments. The second type of changes relate to the complaint and grievance procedure (UW-Whitewater Chapter VI). The changes are explained in more detail below.

Summary of Changes to UW-Whitewater Chapter III – Rules Governing Faculty Appointments Under UWS 3, Wisconsin Administrative Code

The following changes were adopted by the UW-Whitewater Faculty Senate on September 13, 2005:

1. A change in the name of the Faculty Appeals and Grievances Committee. The new name is Faculty Appeals, Grievances, and Disciplinary Hearing Committee. Changes related to

this name change are found throughout Chapter III but are not included in their entirety in the excerpted rules.

2. A change in the language relating to two-year contracts, indicating that the department makes a recommendation as to a one-year or a two-year contract rather than automatically awarding a two-year contract (see excerpts).
3. The section on Chancellor's responsibilities is revised to allow for an appeal of the chancellor's decision (see excerpts).

Summary of changes to UW-Whitewater Chapter VI – Rules Governing Complaints Against and Grievances of Faculty Under UWS 6 of the Wisconsin Administrative Code

The second set of changes is to UW-Whitewater Chapter VI – Rules Governing Complaints Against and Grievances of Faculty Under UWS 6 of the Wisconsin Administrative Code. This whole section is different, and entirely replaces the earlier version. The intent of the changes was to clarify the procedures and to make the timelines clearer and more reasonable. These rules were passed by the Faculty Senate on September 13, 2006.

RECOMMENDATION

UW System Administration recommends approval of Resolution I.1.d.(1), authorizing the amendments to the UW-Whitewater Faculty Personnel Rules.

University of Wisconsin-Whitewater Faculty Personnel Rules: Excerpt of Major Changes to
Chapter III (with strike-out)

I. RULES GOVERNING FACULTY APPOINTMENTS UNDER UWS 3, WISCONSIN
ADMINISTRATIVE CODE

(Approved by Board of Regents on October 5, 1979, and amended February 5, 1982 and
April 2, 2004.)

Changes relating to two-year contracts for probationary faculty (p. 20):

f. Document requirements and disposition

(1) Record of Review

- (a) The department's record of review of a faculty member shall include
 - i) date and time of the review,
 - ii) members of the review committee present,
 - iii) list of procedures followed during the review, for example, whether the review was conducted as an open or a closed meeting according to Wisconsin Statutes 19.81-19.98.
 - iv) subjects considered under III, C, 4, b, (2), (c) - (f) and III, C, 4, e, (3) - (6) of these rules,
 - v) statement of the decision made,
 - vi) standards-based reasons supporting the decision made, and
 - vii) by attachment, the notice of the review.
- (b) The Record of Review is kept on file in the department office for reference.

(2) Report of Decision

- (a) Whenever a decision is made by the department, this decision shall be reported as a single decision indicating the will of the department. This Report of Decision shall be signed by the department chair or the department's designee, copied to the faculty member, and placed in the portfolio.
- (b) Affirmative decisions:
 - i) During the faculty member's first review, i.e., fall of the second year on campus (See consultation/review schedule chart of these rules.), the department shall make two decisions, one for reappointment and a second to determine the length of contract to be offered, i.e., a contract for one year or a contract for two years. In the case of faculty members who were granted three years of credited experience at the time of the initial appointment, the department shall make only the reappointment decision in the second year on campus because the mandatory tenure decision would occur in the fall of the third year on campus.
 - ii) During all subsequent reviews, ~~contracts for two years shall be concomitant with an affirmative decision~~ the department shall make two decisions, one for reappointment and a second to determine the length of contract to be offered, i.e., a contract for one year or a

contract for two years. ~~except for faculty members who were granted one year of experience at the time of the initial appointment. For these faculty members, the fifth year on campus would be the mandatory tenure decision; therefore, an affirmative decision in the fourth year on campus shall be concomitant with a one year contract.~~ Within 14 calendar days of the review, the department shall deliver to the faculty member a copy of its Report of Decision containing the statement of the decision made and the standards-based reasons supporting the decision (UWS 3.07, (1), (a)). The standards-based reasons cited in the Report of Decision (III, C, 4, f, (2) of these rules) must be consistent with the reasons listed in the Record of Review (III, C, 4, f, (1), (a), vi) of these rules).

- iii) Within 14 calendar days of the review, the department shall deliver the portfolio to the dean for review.
- iv) In its report of an affirmative decision, the department shall inform the faculty member of the right to rebut any part of the report (III, D of these rules) and of subsequent reviews by the dean and/or constituency standards committee, the Vice Chancellor for Academic Affairs, and the Chancellor, as required by the review schedule. *Refer to the review schedule in Appendix C of these rules.*

Changes to the section on Chancellor's responsibilities to allow for an appeal of the Chancellor's decision (pp. 28-30):

8. Chancellor's responsibilities

- 1. ~~The Chancellor shall provide written notification to the faculty member, the department, the constituency standards committee, and the dean of the Chancellor's decision to recommend~~ For all decisions regarding reappointment, tenure, or tenure and promotion, the Chancellor shall follow the notice periods listed in UWS 3.09.
- 2. ~~The Chancellor shall follow the notice periods listed in UWS 3.09.~~ Affirmative decisions: The Chancellor shall provide
 - a. ~~When the appointment expires at the end of an academic year, the probationary faculty member must be notified no later than March 1st of the first academic year, and not later than December 15 of the second consecutive academic year of service.~~ standards-based written notification to the faculty member, the department, the constituency standards committee, and the dean of the Chancellor's decision to recommend reappointment of a probationary faculty member; or tenure and/or promotion, and
 - b. ~~After two or more years of continuous service at an institution of the University of Wisconsin System, such~~

notice shall be given at least 12 months before the expiration of the appointment. a written Report of Recommended Action to the Board of Regents for all faculty recommended for tenure or tenure and promotion.

3. ~~When the Faculty Appeals and Grievance Committee appeal panel submits its Report of Findings and Recommended Action in an appeal of the department's decision, the Chancellor rules on the recommended action.~~ Negative decisions:
 - a. ~~The report of the Chancellor's decision, if negative, shall include explicit statements of the particular standards not met and the faculty member's right to request a reconsideration and an appeal of the decision. In cases of promotion only, the Chancellor's decision is final and the Chancellor shall~~
 - i. provide written notification of the standards-based rationale for the decision to deny promotion,
 - ii. place copies of all decisions in the faculty member's personnel file, and
 - iii. return the portfolio to the faculty member upon completion of all personnel actions.
 - b. ~~The report of the Chancellor's decision shall be given to the faculty member, the department, the dean, constituency standards committee chair, the Vice Chancellor for Academic Affairs, and any committee or panel involved in a previous appeal of the case. In cases of reappointment, tenure, or tenure and promotion, the Chancellor shall~~
 - i. provide written notification of the standards-based rationale for the decision to deny reappointment, tenure, or tenure and promotion, and notice that the faculty member has the right to request a reconsideration, and
 - ii. secure copies of all relevant documents including the portfolio, reports of decision, requests for a reconsideration and/or an appeal, reports of recommended action, and rebuttals produced during the review sequence for possible use in an appeal of the Chancellor's decision or as required by law.
 - iii. If the faculty member chooses to request a reconsideration of the Chancellor's decision, then the faculty member must file a written request for the reconsideration with the Chancellor. The request for a reconsideration must be filed within 10 calendar days of receipt of the notice of the negative decision from the Chancellor.

- c. ~~“The decision of the Chancellor will be final on such matters” (UWS 3.08, (3)).~~ In the reconsideration, the Chancellor shall review all relevant material and provide
 - i. to the faculty member, the department, the constituency standards committee, and the dean a standards-based written notification of the Chancellor’s decision to recommend the faculty member for reappointment, tenure, or tenure and promotion, or
 - ii. written notification of the standards-based rationale for the decision to deny reappointment, tenure, or tenure and promotion, and notice that the faculty member has the right to request an appeal of the decision (III, E of these rules).
 - d. Appeal of a Chancellor’s negative decision following a reconsideration:
 - i. If the faculty member chooses to file an appeal (III, E, 1 of these rules), then the request for an appeal must be filed in writing with the Chair of the Faculty Senate.
 - ii. As stated in III, E, 2, e, (2), (b), ii), the appeal panel shall conduct both the procedural review as specified in III, E, 2, c - f of these rules and a credential review as specified in III, E, 3 of these rules.
 - e. If the faculty member does not request a reconsideration when the Chancellor makes a negative decision on applications for reappointment, tenure, or tenure and promotion, ~~“The decision of the Chancellor will be final” (UWS 3.08, (3)).~~ The Chancellor shall return all documents to the faculty member.
4. Except in cases of negative decisions for reappointment or tenure, the Chancellor shall

- a. place copies of all decisions in the faculty member's personnel file and
 - b. return the portfolio to the faculty member upon completion of all personnel actions.
5. The chancellor shall provide a written Report of Recommended Action to the Board of Regents for all faculty recommended for tenure and/or promotion.
6. In case of negative decisions for reappointment or tenure, the Chancellor shall secure copies of all relevant documents including the portfolio, reports of decision, requests for a reconsideration and/or an appeal, reports of recommended action, and rebuttals produced during the review sequence for possible use in an appeal of the Chancellor's decision or as required by law.

University of Wisconsin-Whitewater Faculty Personnel Rules: Excerpt of Major Changes to
Chapter III (clean copy of Revised Rules)

I. RULES GOVERNING FACULTY APPOINTMENTS UNDER UWS 3, WISCONSIN
ADMINISTRATIVE CODE
(Approved by Board of Regents on October 5, 1979, and amended February 5, 1982 and
April 2, 2004.)

Changes relating to two-year contracts for probationary faculty (pp. 20-21):

- f. Document requirements and disposition
 - (1) Record of Review
 - (a) The department's record of review of a faculty member shall include
 - i) date and time of the review,
 - ii) members of the review committee present,
 - iii) list of procedures followed during the review, for example, whether the review was conducted as an open or a closed meeting according to Wisconsin Statutes 19.81-19.98.
 - iv) subjects considered under III, C, 4, b, (2), (c) - (f) and III, C, 4, e, (3) - (6) of these rules,
 - v) statement of the decision made,
 - vi) standards-based reasons supporting the decision made, and
 - vii) by attachment, the notice of the review.
 - (b) The Record of Review is kept on file in the department office for reference.
 - (2) Report of Decision
 - (a) Whenever a decision is made by the department, this decision shall be reported as a single decision indicating the will of the department. This Report of Decision shall be signed by the department chair or the department's designee, copied to the faculty member, and placed in the portfolio.
 - (b) Affirmative decisions:
 - i) During the faculty member's first review, i.e., fall of the second year on campus (See consultation/review schedule chart of these rules.), the department shall make two decisions, one for reappointment and a second to determine the length of contract to be offered, i.e., a contract for one year or a contract for two years. In the case of faculty members who were granted three years of credited experience at the time of the initial appointment, the department shall make only the reappointment decision in the second year on campus because the mandatory tenure decision would occur in the fall of the third year on campus.
 - ii) During all subsequent reviews, the department shall make two decisions, one for reappointment and a second to determine the length of contract to be offered, i.e., a contract for one year or a contract for two years.

- iii) Within 14 calendar days of the review, the department shall deliver to the faculty member a copy of its Report of Decision containing the statement of the decision made and the standards-based reasons supporting the decision (UWS 3.07, (1), (a)). The standards-based reasons cited in the Report of Decision (III, C, 4, f, (2) of these rules) must be consistent with the reasons listed in the Record of Review (III, C, 4, f, (1), (a), vi) of these rules).
- iv) Within 14 calendar days of the review, the department shall deliver the portfolio to the dean for review.
- v) In its report of an affirmative decision, the department shall inform the faculty member of the right to rebut any part of the report (III, D of these rules) and of subsequent reviews by the dean and/or constituency standards committee, the Vice Chancellor for Academic Affairs, and the Chancellor, as required by the review schedule. *Refer to the review schedule in Appendix C of these rules.*

Changes to the section on Chancellor's responsibilities to allow for an appeal of the Chancellor's decision (pp. 28-30):

8. Chancellor's responsibilities

- 1. For all decisions regarding reappointment, tenure, or tenure and promotion, the Chancellor shall follow the notice periods listed in UWS 3.09.
- 2. Affirmative decisions: The Chancellor shall provide
 - a. standards-based written notification to the faculty member, the department, the constituency standards committee, and the dean of the Chancellor's decision to recommend reappointment of a probationary faculty member; or tenure and/or promotion, and
 - b. a written Report of Recommended Action to the Board of Regents for all faculty recommended for tenure or tenure and promotion.
- 3. Negative decisions:
 - a. In cases of promotion only, the Chancellor's decision is final and the Chancellor shall
 - i. provide written notification of the standards-based rationale for the decision to deny promotion,
 - ii. place copies of all decisions in the faculty member's personnel file, and
 - iii. return the portfolio to the faculty member upon completion of all personnel actions.
 - b. In cases of reappointment, tenure, or tenure and promotion, the Chancellor shall

- i. provide written notification of the standards-based rationale for the decision to deny reappointment, tenure, or tenure and promotion, and notice that the faculty member has the right to request a reconsideration, and
 - ii. secure copies of all relevant documents including the portfolio, reports of decision, requests for a reconsideration and/or an appeal, reports of recommended action, and rebuttals produced during the review sequence for possible use in an appeal of the Chancellor's decision or as required by law.
 - iii. If the faculty member chooses to request a reconsideration of the Chancellor's decision, then the faculty member must file a written request for the reconsideration with the Chancellor. The request for a reconsideration must be filed within 10 calendar days of receipt of the notice of the negative decision from the Chancellor.
- c. In the reconsideration, the Chancellor shall review all relevant material and provide
 - i. to the faculty member, the department, the constituency standards committee, and the dean a standards-based written notification of the Chancellor's decision to recommend the faculty member for reappointment, tenure, or tenure and promotion, or
 - ii. written notification of the standards-based rationale for the decision to deny reappointment, tenure, or tenure and promotion, and notice that the faculty member has the right to request an appeal of the decision (III, E of these rules).
- d. Appeal of a Chancellor's negative decision following a reconsideration:
 - i. If the faculty member chooses to file an appeal (III, E, 1 of these rules), then the request for an appeal must be filed in writing with the Chair of the Faculty Senate.
 - ii. As stated in III, E, 2, e, (2), (b), ii), the appeal panel shall conduct both the procedural review as specified in III, E, 2, c - f of these rules and a credential review as specified in III, E, 3 of these rules.
- e. If the faculty member does not request a reconsideration when the Chancellor makes a negative decision on applications for reappointment, tenure, or tenure and promotion, "The decision of the Chancellor will be final"

(UWS 3.08, (3)). The Chancellor shall return all documents to the faculty member.

CHAPTER VI - RULES GOVERNING COMPLAINTS AGAINST AND
GRIEVANCES OF FACULTY UNDER UWS 6 OF THE WISCONSIN
ADMINISTRATIVE CODE

(Approved by Board of Regents on February 5, 1982)

Part A: Complaints Against Faculty Members

1. Initial disposition of a complaint against a faculty member. If any employee of the university receives an allegation concerning conduct by a faculty member which violates university rules or policies or which adversely affects the faculty member's performance of his/her obligation to the university, the employee shall refer the person making the allegation and deliver any written allegation to the chancellor.

EXCEPTION: Complaints of, and the reporting of, possible misconduct in science are covered by Part B of this Chapter in accordance with the regulations of the US Department of Health and Human Services (Reference: The Final Rule 42 CFR Part 50, Subpart A as published at 54 FR 32446, 8 August 1989).

2. Exclusions.
 - a. No conduct which is constitutionally protected or protected by the principles of academic freedom violates university rules or policies or adversely affects a faculty member's performance of obligation to the university. A complaint about alleged conduct of a faculty member which is constitutionally protected or protected by the principles of academic freedom shall be referred to the faculty member.
 - b. No allegations that a faculty member has incorrectly evaluated the academic performance of a student shall be treated as a complaint that the faculty member has violated university rules or policies or adversely affected his or her performance of obligation to the university unless the person making the allegation specifically charges that the incorrect evaluation was knowing and deliberate or due to malice or professional incompetence. The Faculty Senate or the faculty shall provide for the investigation and resolution of allegations of incorrect evaluation of a student when no such charge is made.
 - c. No notice shall be taken of an anonymous complaint against a faculty member, or of a complaint which the complainant refuses to sign.
3. Investigation of a complaint.
 - a. No further proceedings shall take place in respect to any complaint against a faculty member until the chancellor has caused it to be investigated and determined that there is good cause to believe that the conduct complained of did occur, that it violated university rules or policies or adversely affected the faculty member's performance of obligation to the university, and that proceedings in respect to it under VI, A of these rules are not prohibited by VI, A, (2) of these rules.

- b. If the chancellor deems the complaint to be one which, if true, might lead to dismissal, the complaint shall be dealt with under chapter UWS 4 of the Wisconsin Administrative Code.
 - c. If the chancellor concludes that no charge should be issued against a faculty member against whom a complaint has been made and investigated, because of the provisions of VI, A, (2) of these rules, or because there is not cause to believe that the conduct complained of occurred, or because the conduct complained of, if it occurred, did not violate university rules or policies or adversely affect the faculty member's performance of obligation to the university, or if the chancellor concludes that a complaint has been so long delayed that the faculty member against whom it is made has been deprived of a reasonable opportunity to answer a charge founded on it, the faculty member shall be informed in writing that the complaint has been dismissed, and the reason why.
- 4. Rights of a faculty member when a complaint is not dismissed.
 - a. Effective 90 days after the effective date of these rules, if a charge based on a complaint has not been issued within 90 days from the time the chancellor receives the complaint, no charge may be issued thereafter under the provisions of Chapter UWS 6 of the Wisconsin Administrative Code or these rules.
 - b. If the chancellor concludes that a complaint should not be dismissed, but that it is not so serious as to warrant proceedings under UWS 4 of the Wisconsin Administrative Code, the faculty member against whom the complaint has been made shall have the right to receive:
 - 1. A written charge founded on the complaint which specifies the conduct complained of and the university rules or policies which it violated or the manner in which it adversely affected the faculty member's performance of obligation to the university
 - 2. Lists of the persons who took part in bringing the complaint, investigating the complaint, and drafting the charge, and of the persons who will be called to offer testimony in support of the charge.
 - 3. A copy of each document which will be offered in evidence of the charge.
 - 4. A statement of the penalty the chancellor proposes to assess if the charge is admitted or proved.
 - c. When a faculty member receives a written charge the faculty member shall have the following options provided that the faculty member selects an option within 10 days of receipt of the charge, in writing to the chancellor:
 - 1. to admit the charge and accept the penalty, in which case the proposed penalty will be imposed by the chancellor and proceedings in the matter under these rules will cease; or
 - 2. to admit the charge but protest the penalty, in which case the faculty member has the right to a hearing on the penalty in accordance with VI, A (10) and (11) of these rules; or

3. to deny the charge, in which case the faculty member has the right to a hearing on the charge in accordance with VI, A (7) and (8) of these rules.
 - d. If a faculty member to whom a charge has been delivered does not select one of these options, in writing to the chancellor within 10 days of receipt of the charge, the chancellor may consider the charge to have been admitted and the penalty accepted and impose the penalty, and proceedings in the matter under these rules will cease.
5. Definitions of penalties.
 - a. Forfeiture of salary- means the forfeiture by a faculty member of salary for a stated period.
 - b. An admonition- is a written warning by the chancellor that conduct which violated university rules or policies or adversely affected performance of obligation to the university must stop and not be repeated, which is delivered to the faculty member and a copy of which is placed in the faculty member's personnel file, and which, during a period of one year, shall be considered, along with other evidence of performance, by departmental, college, and university agencies and officers responsible for recommending or approving promotion in rank, merit increase in salary, or reappointment.
 - c. A reprimand- is a written rebuke of a faculty member by the chancellor for conduct which violates university rules or policies of adversely affects the performance of obligation to the university and a demand that it stop and not be repeated, which is delivered to the faculty member and a copy of which is placed in the faculty member's personnel file, and which, for a specified period of from one to five years, shall be considered, along with other evidence of performance, by departmental, college, and university agencies and offices responsible for recommending or approving promotion in rank, merit increase in salary, or reappointment.
 - d. Reduction in salary- means a reduction in the base salary of a faculty member of at least \$10 but not exceeding 5% of current base salary.
 - e. Suspension without pay- means suspension without pay from all employment by the university and suspension of all rights and privileges derived from faculty appointment or rank or from departmental or college faculty membership for a period of one semester or one contractual academic year.
6. Types of charges and penalties in order of severity.
 - a. When the charge admitted by or proved against a faculty member is unauthorized absence from duty, the recommended penalty shall include forfeiture of salary for every period of unauthorized absence and the least severe penalty shall be forfeiture of salary. Other penalties which may be imposed for such a charge, in order of increasing severity, are: forfeiture of salary and admonition; forfeiture of salary and reprimand; forfeiture of salary and reduction in salary; and forfeiture of salary and suspension without pay.

- b. When the charge admitted by or proved against a faculty member is failure to fulfill, on time, a responsibility for the fulfillment of which a deadline has been set, the penalty may include forfeiture of salary but for no more days than the fulfillment of the responsibility was late. Penalties which may be imposed for such a charge, in order of increasing severity, are: forfeiture of salary; admonition; admonition and forfeiture of salary; reprimand; reprimand and forfeiture of salary; reduction in salary; reduction in salary and forfeiture of salary; suspension without pay; suspension without pay and forfeiture of salary.
 - c. For any other charge, the penalties which may be imposed, in order of increasing severity, are: admonition; reprimand; reduction in salary; suspension without pay.
- 7. Conduct of hearing of a denied charge.
 - a. If a faculty member denies a charge as provided in VI, A, (4), (c) of these rules, a hearing on the charge shall be conducted by a standing committee established in accordance with the constitution of the faculty.
 - 1. The hearing shall begin not less than 20 nor more than 30 days after the delivery of the chancellor of the faculty member's written denial of the charge, unless the chancellor and the faculty member shall agree to another date, and the faculty member and the chancellor shall have at least 5 days written notice of the hearing.
 - 2. The faculty member shall be granted additional time to prepare a defense against a charge or charge upon application to the hearing body, if in the judgment of that body such additional time is necessary to a fair hearing and the need for it does not arise from the neglect of the faculty member.
 - b. The hearing shall be conducted in accordance with the following rules:
 - 3. The hearing will be subject to state law governing meetings of public bodies.
 - 4. A hearing shall be confined to charges against a single faculty member.
 - 5. Testimony may be presented in writing or orally, but no testimony shall be received unless the person offering it appears to acknowledge it as his or her own and answer questions about it.
 - 6. The burden of proof shall be on the chancellor.
 - 7. Either party may cross examine a witness called by the other.
 - 8. The hearing body shall not be governed by common law or statutory rules of evidence and may admit evidence having reasonable probative value but shall exclude immaterial, irrelevant, or unduly repetitious testimony, and shall give effect to recognized legal privileges.
 - 9. Adjournment shall be granted to enable either party to investigate evidence as to which a valid claim of surprise is made.
 - 10. The faculty member may be advised and assisted by such persons as the faculty member chooses.
 - 11. The chancellor shall not be represented by a person who is an attorney unless the faculty member is represented by a person who is an attorney.

12. Each party shall receive a copy of any document offered in evidence by the other.
 13. A record of the hearing, which may be a sound recording, shall be made.
 14. The university shall provide such assistance and protection as the hearing body shall require and persons assigned to assist or protect it shall be subject to the direction of the body through its presiding member.
 15. The faculty member shall have the right to confront witnesses called by the chancellor, to offer witnesses, to have the assistance of the university in securing the attendance at the hearing of witnesses who are employed by the university, and to be heard in his or her own behalf.
 16. Upon application by the faculty member, the hearing body shall request the attendance of witnesses and shall direct the university to assist in securing the attendance of witnesses who are employed by the university and to give the faculty member access to relevant documents necessary to his or her defense which are in the possession of the university.
 17. If a charge is based on a faculty member's conduct as a teacher engaged in instruction of a student or students, the hearing body shall consider the testimony of faculty at this or other institutions of higher education with experience as instructors of the same disciplinary specialty as the faculty member, as to the educational appropriateness or competence of the alleged behavior which gave rise to the charge. The hearing body may, on its own initiative, call such qualified witnesses to testify on this issue, who shall be subject to cross examination by both parties. No such charge shall be found by a hearing body to have been proved unless the hearing body finds, on the basis of the evidence of witnesses who are so qualified, that the behavior which gave rise to the charge was inappropriate or incompetent.
8. Findings of fact and decision on the charge.
 - . Following the presentation of evidence and argument, the hearing body shall consider the evidence and by majority vote render its written findings of fact and decision on the charge.
 - a. The hearing body shall deliver to the chancellor its findings and decision. It shall deliver to the faculty member a copy of its findings and decision. If it has decided that a charge has been proved, it shall also give the faculty member notice of the faculty member's rights to protest the proposed penalty and to appeal the decision, by reference to relevant portions of these rules.
 9. Right of a faculty member to a hearing on the proposed penalty.

When a hearing body finds that a charge is proved, the faculty member shall be entitled to a hearing on the penalty proposed by the chancellor, provided that the faculty member protests the penalty, in writing to the hearing body, within 15 days of receipt by the faculty member of a copy of the findings and decision of the hearing body, or, if the faculty member appeals the findings and decision of the hearing body, within 5 days of the delivery of the faculty member of the

findings and decision of the appeal committee that the appeal committee has upheld the decision of the hearing body.

10. Conduct of a hearing on a proposed penalty.

- . When a faculty member has protested a proposed penalty for a charge which has been heard and found proved under VI, A, (7) and (8) of these rules, the hearing on the proposed penalty and recommendation to the chancellor shall be conducted by the hearing body which heard the charge.
- a. When a faculty member has protested a proposed penalty for a charge which the faculty member has not denied in writing in accordance with VI, A, (4), (c) of these rules, the hearing on the proposed penalty shall be conducted by a hearing body chosen in the same manner as a body to hear charges against a faculty member.
- b. In a hearing on a proposed penalty:
 3. each party may present argument or evidence as to the appropriateness of the proposed penalty;
 4. the faculty member may speak first and last;
 5. either party may cross-examine witnesses presented by the other;
 6. the same rules governing admissibility of evidence shall prevail as in a hearing on a charge; and
 7. the hearing body shall recommend either imposition of the proposed penalty or one of lesser severity, in writing to the chancellor with a copy of the faculty member on the basis of:
 - h. the seriousness of the offense.
 - i. the faculty member's previous behavior.
 - j. the severity of penalties imposed on other faculty members for similar acts, and
 - k. extenuating or aggravating circumstances connected with the act or acts which gave rise to the charge.

11. Rights of a faculty member after a hearing body has recommended a penalty for a proved or admitted charge to the chancellor.

- . No penalty shall be imposed on a faculty member more severe than the penalty proposed by the chancellor at the time the charge was issued.
- a. No penalty shall be imposed more severe than that recommended by the hearing body without the chancellor's consultation with the panel and consideration of its written response to the chancellor's explanation of the reasons for the intended penalty

12. Rights of a faculty member to appeal a finding of a hearing body that a charge has been proved.

- . The faculty or Faculty Senate shall establish a standing faculty committee, or designate an existing committee, to hear appeals by a faculty member of a decision by a hearing body under VI, A, (7), and (8) of these rules, that a charge against the faculty member is proved.
- a. The grounds of such an appeal by the faculty member are limited to the following:

1. that the conduct complained of was excluded from punishment under UWS 6 of the Wisconsin Administrative Code and VI, A of these rules by the provisions of VI, A, (2) or (4), (a) of these rules;
 2. that the complaint was so long delayed that the faculty member was deprived of a reasonable opportunity to answer it or to defend against a charge founded on it, and should have been dismissed;
 3. that procedural rights of the faculty member established by UWS 6 of the Wisconsin Administrative Code or by VI, A of these rules, or by actions of the faculty or Faculty Senate pursuant to these rules were denied, with material prejudice to the faculty member; or
 4. that there was no basis in fact for the finding of the hearing body that the conduct or behavior complained of was committed by the faculty member, or for the finding that such act or behavior violated university rules or policy or adversely affected the faculty member's performance of obligation to the university
- b. An appeal by a faculty member must be made in writing to the chancellor within 10 days of receipt by the faculty member of the findings and decision of the hearing body.
 - c. Upon receipt by the chancellor of a timely written appeal by a faculty member, the record of the hearing, the report of findings and decision, and the appeal will be delivered to the chair of the appeal committee, and that body will retain jurisdiction in the matter until it makes its final report to the chancellor unless proceedings are terminated under VI, A, (14) of these rules.
 - d. The appeal committee will grant the faculty member a reasonable time, but no less than 10 days, to complete preparations for the hearing of an appeal and will give the faculty member and the chancellor at least 5 days' written notice of the time and place of its hearing of the appeal.
 - e. The appeal committee's hearing will be conducted in the same manner and subject to the same rules as a hearing of a charge under these rules except that:
 1. The appeal committee will hear only argument and evidence relevant to one or more of the grounds of appeal in VI, A, (12), (b) of these rules.
 2. The faculty member will bear the burden of proof.
 - f. The appeal committee will render written findings and decision on the merits of the appeal, and if it finds an appeal has merit, may recommend:
 1. dismissal of a charge, or
 2. re-processing of a complaint or charge without prejudice to the faculty member in order to secure an investigation and hearing free of procedural error, or
 3. other remedy appropriate to the circumstances.
 - g. The findings and decision of the appeal committee shall be delivered to the chancellor and to the faculty member.

13. A charge against a faculty member under VI of these rules may be joined with a dismissal charge under UWS 4 of the Wisconsin Administrative Code and heard by the body established to hear dismissal cases, but all proceedings on the lesser charge shall be governed by VI, A of these rules and UWS 6 of the Wisconsin Administrative Code.
14. Termination of proceedings under UWS 6 and VI, A of these rules. Proceedings arising from a complaint against a faculty member under UWS 6 of the Wisconsin Administrative Code and VI, A of these rules shall cease:
 - . when the chancellor dismisses a complaint;
 - a. when the chancellor withdraws a charge;
 - b. when the hearing body decides that a charge has not been proved;
 - c. when a faculty member admits or does not contest a charge and accepts the proposed penalty in accordance with VI, A, (4), (c), of these rules;
 - d. when a faculty member fails to select an option in writing as provided in VI, A, (4), (d) of these rules, if the chancellor elects to consider the charge admitted and the penalty accepted;
 - e. when the probationary appointment of a faculty member against whom a complaint has been made or a charge issued expires, unless the faculty member requests that the proceedings be continued;
 - f. when the chancellor fails to pursue the proof of a charge before a hearing body.
15. Publication of a finding that a charge is not sustained. If a hearing body finds that a charge is not sustained, and if the hearing was closed, no public disclosure shall be made by the university that the charge was made, heard, or not sustained unless the faculty member consents in writing to such disclosure. Whether the hearing was open or closed, upon written request to the chancellor by the faculty member the university will announce, in an official publication distributed or available to all faculty members, that the charge was made, heard, and not sustained.

Part B: Complaints of Misconduct in Science

1. Definitions and Policy. Recognizing that honesty in the conduct of academic research is fundamental to its integrity and credibility, and to the maintenance of public trust in the university, the UW-Whitewater adopts these policies and procedures for reviewing and investigating allegations of scientific misconduct. For purposes of these policies and procedures, "misconduct in science" or "misconduct" means fabrication, falsification, plagiarism or other practices that seriously deviate from those that are commonly accepted within the scientific community for proposing, conducting, or reporting research.

Misconduct in science is prohibited at the UW-Whitewater, and may be cause for discipline or dismissal.

2. Initial Inquiry and Evaluation or Other Evidence of Possible Misconduct.
 - a. Informal allegations or reports of possible misconduct in science shall be directed initially to the person with immediate responsibility for the work

of the individual against whom the allegations or reports have been made. The person receiving such an informal report or allegation is responsible for either resolving the matter or encouraging the submission of a formal allegation or report. Upon receipt of formal allegations or reports of scientific misconduct, the person with immediate responsibility for the work of the individual against whom the allegations or reports have been made shall immediately inform, in writing, the Vice Chancellor.

- b. The Vice Chancellor shall appoint an individual or individuals to conduct a prompt inquiry into the allegation or report of misconduct.
 1. The individual or individuals conducting the inquiry shall prepare a written report for the Vice Chancellor describing the evidence reviewed, summarizing relevant interviews and including the conclusions of the inquiry.
 2. The inquiry must be completed within 30 calendar days of its initiation unless circumstances clearly warrant a longer period. If the inquiry takes longer than 30 days to complete, the reasons for exceeding the 30-day period shall be documented and included with the record.
 3. The individual against whom the allegation was made shall be given a copy of the report of the inquiry by the Vice Chancellor, and shall have an opportunity to respond to the report within 10 days of receipt. Any response must be in writing, and will become a part of the record of the inquiry.
 4. To protect the privacy and reputation of all individuals involved, including the individual in good faith reporting possible misconduct and the individual against whom the report is made, information concerning the initial report, the inquiry and any resulting investigation shall be kept confidential and shall be released only to those having a legitimate need to know about the matter.*

*Following Chapter VI Rules Governing Complaints Against and Grievances of Faculty Under UWS 6 of the Wisconsin Administrative Code as outlined in Section VI-F of the University Handbook the accused person shall be considered a person with a legitimate need to know.

- c. If the inquiry concludes that the allegation of misconduct is unsubstantiated and if the inquiry concludes that an investigation is not warranted, then the reasons and supporting documentation for this conclusion shall be reported to the Vice Chancellor, who shall be responsible for reviewing the conclusion of the inquiry. If the Vice Chancellor concurs in the conclusion that an investigation is not warranted, his or her determination, and all other supporting documentation from the inquiry shall be recorded and the record maintained confidentially for a period of three years after the termination

of the inquiry. If the inquiry or the Vice Chancellor determines that an investigation is warranted, the procedure in paragraph (2) shall be followed.

3. Investigation of Reported Misconduct in Science.

- a. If an investigation is determined to be warranted under paragraph (1), the Vice Chancellor shall so inform the Chancellor. The Chancellor shall immediately appoint a committee to conduct the investigation. The committee shall be composed of impartial faculty members possessing appropriate competence and research expertise for the conduct of the investigation, and no faculty member having responsibility for the research under investigation, or having any other conflict with the university's interest in securing a fair and objective investigation, may serve on the investigating committee. If necessary, individuals possessing the requisite competence and research expertise who are not affiliated with UW-Whitewater may be asked to serve as consultants to the investigating committee.
- b. The investigation must be initiated within 20 days of the completion of the inquiry. The investigation normally will include examination of all documentation, including but not necessarily limited to relevant research data and proposals, publications, correspondence, and memoranda of telephone calls. Interviews should be conducted of all individuals involved either in making the allegation or against whom the allegation is made, as well as others who might have information regarding the allegations. Summaries of interviews conducted shall be prepared and provided to the parties interviewed for their comment or revision. These summaries shall be made a part of the record of the investigation.
- c. The individual making the allegation and the individual against whom the allegation is made, and all others having relevant information, shall cooperate fully with the work of the investigating committee, and shall make available all relevant documents and materials associated with the research under investigation.
- d. The investigation should ordinarily be completed within 60 days of its initiation. This includes conducting the investigation, preparing the report of the findings, making that report available for comment by the subjects of the investigation, and submitting the report to the Chancellor. If the investigating committee determines that it cannot complete the investigation within the 60-day period, it shall submit to the Chancellor a written request for an extension explaining the need for delay and providing an estimated date of completion. If the research under investigation is funded by an agency within the Public Health Service (PHS), the procedures under paragraph (3) (d) of this policy shall also apply.
- e. The report of the investigation should include a description of the policies and procedures under which the investigation was conducted, information obtained and the sources of such information, an accurate summary of the position of the individual under investigation, the findings of the

committee, including the bases for its findings, and the committee's recommendation to the Chancellor concerning whether the evidence or scientific misconduct is sufficient to warrant discipline or dismissal under the applicable faculty or academic staff personnel rules. Upon completion of the investigation, all documentation substantiating the findings and recommendation of the investigating committee, together with all other information comprising the record of the investigation, shall be transmitted to the Chancellor with the report.

- f. A copy of the investigating committee's report shall be provided to the individual being investigated. Before taking action under paragraph (3) of this policy, the Chancellor or appropriate administrative officer shall afford the individual under investigation an opportunity to discuss the matter.
4. Reporting to the Office of Scientific Integrity (OSI) Where research is Funded by PHS Grants, or Where Research is Funded by an Agency within PHS.
- a. A determination that an investigation should be initiated under paragraph (1) (c) must be reported by the Vice Chancellor in writing to the OSI Director on or before the date the investigation begins. The notification should state the name of the individuals against whom the allegations of scientific misconduct have been made, the general nature of the allegations, and the PHS application or grant numbers involved.
 - b. During the course of the investigation, the granting agency should be apprised of any significant findings that might affect current or potential funding of the individual under investigation or that might require agency interpretation of funding regulations
 - c. The OSI must be notified at any stage of an inquiry or investigation if the university determines that any of the following conditions exist:
 - 1. There is an immediate health hazard involved;
 - 2. There is an immediate need to protect federal funds or equipment;
 - 3. There is an immediate need to protect the interests of the person making the allegations or of the individual who is the subject of the allegations as well as his or her co-investigators and associates, if any;
 - 4. It is probable that the alleged incident is going to be reported publicly;
 - 5. There is a reasonable indication of possible criminal violation. In that instance, the university must inform OSI within 24 hours of obtaining that information.
 - d. If the university is unable to complete the investigation within the 60-day period, as described above, the Vice Chancellor must submit to OSI a written request for an extension and an explanation of the delay, including an interim progress report and an estimated date of completion of the investigation. If the request is granted, the institution must file periodic progress reports as requested by the OSI. If satisfactory progress is not made in the institution's investigation, the OSI may undertake an investigation of its own.

- e. If the university plans to terminate an inquiry or investigation for any reason within completing all the relevant requirements, a report of such planned termination, including a description of the reasons for such termination, shall be made by the Vice Chancellor to OSI, which will then decide whether further investigation should be undertaken.
 - f. Upon completion of the investigation, the Vice Chancellor will notify OSI of the outcome, in a report which shall include the information and documentation specified in paragraph (2) (e) of this policy.
5. Other Action Following Completion of Investigation.
- a. If the allegation of scientific misconduct is substantiated by the investigation, the Vice Chancellor shall notify the agency, if any, sponsoring the research project of the result of the investigation. In such a case, the individual involved will be asked to withdraw all pending abstracts and papers emanating from the scientific misconduct, and the Vice Chancellor will notify editors of journals in which relevant papers appeared. In addition, other institutions and sponsoring agencies with which the individual has been affiliated shall be notified if, based on the results of the investigation, it is believed that the validity of previous research by the individual under investigation is questionable.
 - b. Where scientific misconduct is substantiated, the UW-Whitewater will take appropriate action, which may include discipline or dismissal, with regard to the employment status of the individual or individuals involved. Applicable personnel rules, policies and procedures set forth in Chapters UWS 4, 6, 11 and 13, Wisconsin Administration Code and related university policies shall govern discipline or dismissal actions resulting from an investigation of scientific misconduct.
 - c. Where allegations of scientific misconduct are not substantiated by the investigation, the UW-Whitewater shall make diligent efforts, as appropriate, to restore the reputations of persons alleged to have engaged in misconduct, and to protect the positions and reputations of those persons who, in good faith, made the allegations.

Part C - Grievances of Faculty Members

1. Definition. For purposes of these rules, a grievance of a faculty member is a claim that an act of an employee of the university in his or her capacity as an employee, which affected the faculty member in his or her capacity as a faculty member, was unfair, improper, or contrary to law or the university rules or policies, or interfered with the faculty member's performance of university responsibilities, provided that if formal appeal procedures have been established by the faculty and the chancellor for acts of the type complained of, the act shall not be subject to these grievance procedures unless the rules establishing the formal appeal procedures specifically allow resort both to the formal appeal procedures and to these grievance procedures in the same matter.
2. Responsibility for initial investigation and effort to remedy a grievance of a faculty member.

- a. The dean of a college is responsible for dealing with grievances against the acts of employees and committees of the college, except the dean.
 - b. The vice chancellor is responsible for dealing with grievances against the acts of deans of colleges, employees in the division of academic affairs not in any college, except the vice chancellor, and university faculty committees.
 - c. An assistant chancellor is responsible for dealing with grievances against the acts of employees under the supervision of the assistant chancellor.
 - d. The chancellor is responsible for dealing with grievances against the vice chancellor or an assistant chancellor and against any employee or agency of the university not otherwise provided for; if any doubt or dispute exists as to the responsibility for dealing with any grievance, it shall be decided by the chancellor.
3. Presentation, investigation, and resolution of a grievance of a faculty member.
 - a. A faculty member with a grievance shall present it to the responsible officer, or to the chancellor for referral to the appropriate responsible officer, in a written statement which tells what act is complained of and why and what the faculty member has done to resolve the problem.
 - b. If the responsible officer believes that he or she can promptly remedy a grievance or satisfy a faculty member that a grievance is not well founded, without resort to the formal procedures here provided, the responsible officer may attempt to do so, but shall not delay the initiation of formal grievance procedures more than 7 days without the consent of the aggrieved faculty member.
 - c. If informal resolution is not achieved in this manner, a grievance officer shall be appointed by agreement between the faculty member and the responsible officer. If they cannot agree, the faculty member shall select one of three or more persons proposed by the responsible officer from a list of persons established by the Faculty Senate.
4. Investigation and effort at resolution by the grievance officer.
 - a. The grievance officer shall make inquiries of persons having knowledge of the grievance, examine university records relevant to it, and gather information useful in the determination of whether it is in whole or in part well founded. In the process of this investigation the grievance officer may, with the consent of the aggrieved faculty member, amend the statement of the grievance to clarify or correct it. The grievance officer shall determine that the grievance is well founded if he or she finds that the act complained of was in fact done and that it constitutes a grievance as defined in VI, B, (1) of these rules. If the grievance officer finds that the faculty member's grievance is not well founded even in part, the grievance officer shall so report to the faculty member in writing, with the reasons for the finding.
 - b. If the grievance officer determines that the grievance is at least in part well founded, he or she shall so report in writing to the aggrieved faculty member and to the employee complained of, with the reasons for the finding; and the grievance officer shall, after consulting the aggrieved

faculty member and the employee complained of, attempt to devise a remedy, including, if possible, a particular remedy for the injury done the aggrieved faculty member with a schedule for its accomplishment, and, when appropriate, a general remedy to prevent a recurrence of the basis for the grievance. If the grievance officer can devise a particular remedy, he or she shall propose it in writing to the aggrieved faculty member and to the employee whose act constitutes the basis for the grievance.

- c. An employee whose act constitutes the basis for a grievance shall respond to the proposal of a particular remedy within 10 days, either by agreeing to accomplish the remedy, or by refusing to do so, in which case the reasons for the refusal shall be stated, or by proposing an equivalent alternative remedy, or by setting date by which one of these responses will be made, with the reasons for the delay.
- d. If a grievance officer devises a general remedy for a grievance, he or she shall propose it to the employee whose act constitutes the basis for the grievance, to the responsible officer, to the aggrieved faculty member, and to any officer or agency of the university which has the authority to implement the general remedy or the consent of which is required for its implementation.
- e. If the grievance officer can devise no particular remedy for a well founded grievance, he or she shall so report in writing to the aggrieved faculty member and to the responsible officer with the reasons for the inability.
- f. If the grievance officer proposes a particular remedy for a grievance, the grievance officer shall consider the response of the employee to the proposal, and shall monitor the compliance of the employee with the proposed remedy, until the grievance officer concludes that the proposed remedy or an equivalent alternative remedy has been accomplished in a timely manner, or that the employee has not responded or accomplished the remedy in a timely manner. Upon reaching any of these conclusions, the grievance officer shall report it in writing to the aggrieved faculty member, to the employee, and to the responsible officer.
- g. Prior to being discharged of duty in the matter, a grievance officer may withdraw or modify any finding, conclusion, or proposed remedy.
- h. If the grievance officer is unable for any reason to perform the duties of a grievance officer, he or she shall so report to the responsible officer and the aggrieved faculty member, with the reason for the inability.
- i. A grievance officer shall present to the responsible officer a final report and all papers gathered in the course of the investigation of and effort to resolve the grievance, deliver a copy of the final report to the faculty member, and be discharged from duty as a grievance officer in the matter, when:
 - 1. the grievance officer reports that the grievance is not well founded even in part; or
 - 2. the grievance officer reports that he or she can devise no particular remedy for the grievance; or

3. the grievance officer concludes that the proposed particular remedy or an equivalent alternative remedy has been accomplished in a timely manner; or,
 4. the grievance officer concludes that the employee whose act forms the basis for the grievance has not responded to the proposed remedy or accomplished the remedy in a timely manner; or
 5. the grievance officer has reported to the responsible officer and the faculty member his or her inability to perform the duties of a grievance officer; or
 6. the aggrieved faculty member requests in writing to the responsible officer that the grievance officer be discharged; or
 7. the responsible officer directs the grievance officer to do so.
- j. The grievance officer's final report shall briefly describe what he or she has done in the matter and what findings, proposals, or conclusions have been made, and shall be accompanied by all papers gathered by the grievance officer and by all correspondence of the grievance officer.
 - k. A grievance officer shall act independently in the interest of the university and justice, and not merely as the agent of the aggrieved faculty member or the responsible officer. Service as a grievance officer by any faculty member other than the responsible officer or an assistant to the responsible officer shall be considered a contribution to the university.
5. Duties and authority of the responsible officer when not personally acting as grievance officer.
 - a. The responsible officer shall give the grievance officer such advice as the responsible officer deems appropriate.
 - b. The responsible officer shall give the grievance officer clerical assistance.
 6. Referral of a grievance to the University Grievance Committee.
 - a. When a grievance officer is discharged in accordance with VI, B, (4), (i) of these rules, the grievance shall be referred to the University Grievance Committee unless the aggrieved faculty member and the responsible officer agree either;
 1. that the grievance has been remedied, or
 2. that another grievance officer shall be appointed.
 - b. The responsible officer shall refer a grievance to the University Grievance Committee by delivering the statement of the grievance, and the final report of the grievance officer with all accompanying papers to the chairperson of the University Grievance Committee, but if the grievance officer fails to present a final report promptly, the responsible officer shall refer the grievance by delivering the statement of grievance along with copies of any papers in the responsible officer's possession which relate to the matter.
 7. University Grievance Committee: formation and functions. A University Grievance Committee shall be established or designated in accordance with the rules of the faculty governing the establishment of and assignment of duties to standing committees, but pending or in the absence of such action to establish or

designate a University Grievance Committee, the Faculty Senate shall establish a University Grievance Committee.

8. Investigation and effort at resolution of a grievance by the University Grievance Committee. When a grievance is referred to the University Grievance Committee under these rules, the committee shall investigate it and attempt to remedy it if it is well founded, and shall have all powers and responsibilities of a grievance officer under these rules, but shall report to the chancellor rather than to the responsible officer and shall retain jurisdiction over any grievance referred to it until it presents its final report to the aggrieved faculty member.
9. The University Grievance Committee may recommend a remedy for a grievance to the board of regents if the grievance is not resolved or cannot be resolved at the university.
10. Upon completion of its investigation of and attempt to resolve a grievance, the University Grievance Committee shall make a final report to the aggrieved faculty member, stating its findings as to whether the grievance was well founded, the solution proposed by it, if any, and the results of its efforts.
11. If an aggrieved faculty member whose grievance is referred to the University Grievance Committee is not satisfied with the final report of the committee, he or she may appeal to the chancellor, whose decision shall terminate proceedings in the matter under these rules.

**CHAPTER VI - - RULES GOVERNING COMPLAINTS AGAINST AND GRIEVANCES
OF FACULTY UNDER UWS 6 OF THE WISCONSIN ADMINISTRATIVE CODE**
(Approved by Board of Regents on February 5, 1982 and XXX) September 27, 2005

A. COMPLAINTS AGAINST FACULTY

1. General Principles: Administrators, students, academic staff members, faculty members, classified staff members, or members of the public shall follow the procedures and rules given in this section to assure *fair, just, and timely* handling of complaints and grievances against faculty members. Generally, seeking relief through a grievance procedure (See VI, A, 2, c of these rules) is preferable to seeking relief through a complaint procedure (See VI, A, 2, d and VI, A, 3-4 of these rules) because a grievance focuses on the undue effects experienced by the grievant rather than upon an alleged misconduct or punishment of an alleged offender.
 - a. No person shall be denied recourse to the other means of relief specified in these rules, for example, conflict resolution.
 - b. All proceedings shall be conducted in a climate of presumed innocence; every effort shall be made to preserve the rights and dignity of all parties.
 - c. If investigation convinces the Chancellor to issue a charge, the burden of proof in a hearing rests with the Chancellor.
 - d. At any time in the process, the complainant, faculty member, and Chancellor by mutual written consent may choose to engage in a conflict resolution process.
 - e. If, in the course of an investigation of an allegation, an administrator proposes reassignment of a student from a faculty member's class to a comparable class taught by another faculty member, then the administrator shall
 - (1) obtain consent of the student and receiving faculty member,
 - (2) inform the faculty member under investigation of the reason why the change was made,
 - (3) inform the faculty member's department chair and dean, and
 - (4) make all reasonable efforts to insure that neither the receiving faculty member nor the student is disadvantaged by the change in class.
 - f. If inconsistencies or conflicts arise between administrative implementation policies and these rules, these rules take precedence unless they are found to be in conflict with UW-System rules or State Statutes. In such a case, UW-System rules or State Statutes take precedence over these faculty rules.
2. **Definitions:**
 - a. *Conflict resolution* is a voluntary alternative means of resolving disputes by which a neutral third party helps the complainant and faculty member negotiate a mutually acceptable resolution. A conflict resolution process does not preclude further processing under the complaint procedures (See VI, A, 3 and 4 of these rules). At any point in the process, the complainant, the faculty member, and the Chancellor may mutually agree to attempt an alternative dispute resolution process. To allow time for such process, the mutual agreement must stipulate whether any time requirements indicated in these rules are to remain in effect or to be extended for a specific or unspecified period. Such agreement must be uncoerced, without precondition as to outcome, written, and signed by the complainant, the faculty member, the Chancellor, and the neutral third party.

- b. An *act* or *event* is alleged conduct, or alleged pattern of conduct, or the discovery or documentation of alleged conduct, or alleged pattern of conduct which has adversely affected the faculty member's performance of her or his obligations to the university or violates university policies.
- c. A *grievance* alleges that conduct of a faculty member created an unfair, unjust, or hostile work environment for another person. The purpose of a grievance is corrective rather than punitive and seeks to correct the unfair, unjust, or hostile work environment.
- d. A *complaint* alleges that conduct of a faculty member violated university rules or policies or adversely affected the faculty member's performance of his/her obligation to the university. Such conduct could lead to punishment of the alleged offender under UWS 4 or UWS 6.
- e. A *charge* is a written statement issued and signed by the Chancellor founded on a complaint which specifies
 - (1) the conduct complained of;
 - (2) the rule(s) or university policy(ies) the faculty member's alleged conduct or pattern of conduct violated, and/or
 - (3) the manner in which the conduct adversely affected the faculty member's performance of his/her obligation to the university;
 - (4) the way in which a faculty member's alleged conduct or pattern of conduct adversely affected the faculty member's performance of his or her obligations to the university (UWS 6.01), except that
 - (a) complaints of, and the reporting of, possible misconduct in science are covered by Part B of this Chapter in accordance with the regulations of the US Department of Health and Human Services (Reference: 42 CFR Part 50.102);
 - (b) no conduct which is constitutionally protected or protected by the principles of academic freedom shall be the subject of a complaint;
 - (c) students who wish to pursue changes of grade should follow the procedures described in the UWW Handbook, Student Grade Appeal; and
 - (d) no charge shall be founded on a complaint which the complainant refuses to sign;
 - (5) all of the following known as of the date of the charge with the exception of those redactions necessary to protect the identity of a minor:
 - (a) names of person(s) signing the complaint,
 - (b) names of persons investigating the complaint,
 - (c) names of persons drafting the charge,
 - (d) names of persons who may be called to offer testimony in support of the charge,
 - (e) names of persons providing information during the investigation, and
 - (f) unredacted copies of all documents which will be offered in evidence of the charge;
 - (6) that a hearing panel shall grant a recess to enable either party to investigate evidence about which a valid claim of surprise is made;
 - (7) the Chancellor's determination whether the charge falls under UWS 6 and

- UWW VI rather than UWS 4; and
- (8) the penalty(ies) and/or remedy(ies) (See VI, A, 3, f, (2), (b) of these rules) the Chancellor proposes if the charge is admitted or upheld.
- f. Penalty(ies) or remedy(ies) or combinations thereof as stated in the charge (II, E):
 - (1) Reprimand: written warning by the Chancellor that the faculty member must cease the specified conduct which violated university rules or policies or adversely affected the faculty member's performance of his/her contractual obligations to the university. This written warning shall be delivered to the faculty member and a copy shall be placed in the faculty member's personnel file.
 - (2) Corrective intervention: counseling, training, or other appropriate and reasonable remedies which would support necessary changes in behavior. Such interventions may be at the faculty member's expense.
 - (3) Fine: a forfeiture of up to but not to exceed 10% of the faculty member's contract year salary. Existing benefits would continue and the faculty member would be expected to fulfill his/her contractual obligations to the university.
 - (4) Reduction of base salary: a reduction of up to but not to exceed 5% of the faculty member's base salary.
 - (5) Suspension without pay: suspension without pay from all employment by the university and suspension of all rights and privileges derived from faculty appointment or rank or from departmental or college faculty membership up to but not more than a period equal to one contractual year.
- 3. Complaint procedures
 - a. A valid complaint must
 - (1) be written, signed, and dated by the complainant,
 - (2) describe and date the alleged act or event(s),
 - (3) indicate whether the complainant is willing to seek resolution of the event or act through a conflict resolution process (See VI, A, 2, a; VI, A, 3, a, (3) ; and VI, A, 3, d, (1), (b), (v) of these rules),
 - (4) be filed with the Chancellor within 120 calendar days of the alleged act or event.
 - b. Acts or events listed in VI, A, 2, e, (4), (a) - (d) of these rules are excluded from these procedures.
 - c. The complainant has a right to an on-campus representative
 - (1) who may be of the complainant's choice, or who, at the request of the complainant, shall be recommended by the
 - (a) Vice Chancellor for Academic Affairs (or designee) if the complainant is not a university employee or student,
 - (b) Vice Chancellor for Academic Affairs (or designee) if the complainant is a faculty member or an unclassified staff member,
 - (c) Vice Chancellor for Administrative Affairs (or designee) if the complainant is a classified staff member, or
 - (d) Assistant Chancellor for Student Affairs (or designee) if the

- complainant is a university student;
- (2) who shall help insure that the complainant understands the process and his or her rights; however, this person shall be
 - (a) independent of the Chancellor and any representative of or legal counsel for the faculty member or hearing panel, and
 - (b) not serve as legal counsel for the complainant;
- (3) who is a current or retired employee of a University of Wisconsin institution.
- d. To process a valid complaint, the Chancellor
 - (1) informs the faculty member in writing within 14 calendar days of receipt of the valid complaint that a complaint has been filed and provides
 - (a) a copy of the complaint;
 - (b) a statement of the faculty member's rights and protections:
 - i) Within 120 calendar days of receipt of the valid complaint (See VI, A, 3, a of these rules) the faculty member has the right to receive from the Chancellor a charge or notice that the complaint has been dismissed;
 - ii) The faculty member has the right to appeal the charge if rendered by the Chancellor;
 - iii) The faculty member has the right to an advocate during all aspects of the process;
 - iv) The faculty member has the right to retain legal counsel; however, see VI, A, 4, b, (4), (b), iii); VI, A, 4, b, (7), (a), iii) and VI, A, 4, a, (2), (c) of these rules;
 - v) The faculty member has the right to request resolution of the dispute through conflict resolution; and
 - vi) Anything the faculty member says regarding the matter may be used in investigating and hearing a charge under UWS 4 or UWS 6;
 - (c) notice of the faculty member's responsibility to cooperate in the investigative process.
 - (2) upon investigation determines within 120 calendar days of the receipt of the valid complaint whether the complaint will be dismissed or pursued under UWS 4 or UWS 6.
- e. If the Chancellor determines that no charge should be issued, the Chancellor shall inform the faculty member and the complainant in writing that the complaint has been dismissed because
 - (1) of the exclusions given in VI, A, 2, e, (4), (a) - (d) of these rules, and/or
 - (2) there is not cause to believe that the conduct complained of occurred, and/or
 - (3) the conduct complained of, if it occurred, did not violate university rules or policies or adversely affect the faculty member's performance of obligation to the university, and/or
 - (4) the complaint was not filed with the Chancellor within 120 calendar days of the alleged act or event (See VI, A, 2, b and VI, A, 3, a, (4) of these rules), and/or

- (5) the investigation has not been completed within 120 calendar days of the filing of the complaint (See VI, A, 3, d, (2) of these rules).
- f. If the Chancellor issues a charge,
- (1) copies of the charge (See VI, A, 2, e of these rules) shall be sent to the faculty member charged;
 - (2) the Chancellor shall inform the complainant that a charge has been filed, but the complainant shall *not* receive the following parts of the charge until the charge is admitted or upheld
 - (a) the persons called to offer testimony in support of the charge,
 - (b) the penalty(ies) or remedy(ies) the Chancellor proposes, or
 - (c) copies of documents offered in evidence of the charge;
 - (3) within 5 calendar days of receipt of the faculty member's choice to request a hearing (See VI, A, 3, g, (1), (b) or (c) of these rules) or the Chancellor's request for a hearing panel (See VI, A, 3, f, (4) of these rules) and (See UWS 6.01(2)), the Chancellor shall
 - (a) request that the Chair of the Faculty Senate draw a five member hearing panel from the Faculty Appeals, Grievance, and Disciplinary Hearing Committee; and
 - (b) forward to the Chair of the Faculty Senate five copies of the following documents in sealed envelopes
 - i) the charge with date filed,
 - ii) the complaint with date filed, and
 - iii) the supporting documents;
 - (4) within five calendar days of the receipt of the faculty member's choice or lack thereof (See VI, A, 3, g, (4) of these rules), the Chancellor may request in writing a hearing on the alleged misconduct or penalty(ies) and/or remedy(ies) even if the faculty member elects not to request a hearing on either the alleged misconduct or the penalty(ies) and/or remedy(ies) (See UWS 6.01(2)).
- g. Faculty member's options in response to a charge:
- (1) Upon receipt of the charge, the faculty member may
 - (a) admit to the misconduct charged and accept the penalty(ies) and/or remedy(ies), in which case the proposed penalty(ies) and/or remedy(ies) will be imposed by the Chancellor and proceedings in the matter under these rules will cease; or
 - (b) admit to the misconduct charged but contest the penalty(ies) and/or remedy(ies), in which case the faculty member has the right to a hearing on the penalty(ies) and/or remedy(ies) under the procedures in VI, A, 4, c of these rules; or
 - (c) deny the misconduct charged, in which case the faculty member may
 - i) accept the penalty(ies) and/or remedy(ies) without protest; or
 - ii) request a hearing on the charges in which case the penalty(ies) and/or remedy(ies) shall be held in abeyance until completion of the hearing process under the procedures in VI, A, 4, b of these

rules.

- (2) The faculty member submits a written statement of his or her choice to the Chancellor within 14 calendar days of receipt of the charge.
- (3) If the faculty member requests a hearing, then the faculty member also shall submit a written copy indicating his or her request to the Chair of the Faculty Senate.
- (4) Failure to submit a written response to the charge indicating his or her choice of options (See VI, A, 3, g, (1), (a) - (c)) within 14 calendar days, by default, shall revert to VI, A, 3, g, (1), (a) of these rules.

4. Hearing procedures

- a. When the faculty member charged or the Chancellor has requested a hearing panel, within 30 calendar days, the Chair of the Faculty Senate shall
 - (1) request of the Secretary of the Faculty Senate the names of five potential panel members and two alternates from the Faculty Appeals, Grievance, and Disciplinary Hearing Committee, except that
 - (a) no potential member or alternate shall be a member of the charged faculty member's department, and
 - (b) no potential member or alternate shall be a person whom the Chair of the Faculty Senate and Secretary of the Faculty Senate determine to be ineligible due to conflict of interest or personal or professional hardship; and
 - (2) convene an organizational meeting of the potential panel members and alternates at which
 - (a) the Faculty Senate Chair shall inform the panel of its tasks (See VI, A, 4, b - d of these rules) and provide
 - i) copies of these rules and
 - ii) copies of the relevant documents in sealed envelopes including the
 - a) charge with the date filed,
 - b) complaint with the date filed, and
 - c) supporting documents;
 - (b) the Faculty Senate Chair shall request that the panel immediately elect a chair and establish a meeting time within 15 calendar days.
 - (c) the Faculty Senate Chair shall inform the panel of its right to legal counsel at the university's expense if the faculty member chooses to be represented by an attorney. Such counsel shall help the panel conduct impartial, complete, and comprehensive proceedings. In addition, counsel may advise the panel in writing the rationale for its findings and recommendation.
- b. Conduct of a hearing of a denied charge:
 - (1) All meetings of the panel shall be conducted in accordance with the state law governing meetings of public bodies. The panel may hear witness testimony and deliberate in closed meeting in accordance with *all* the requirements of s.19.85 (1), (a) & (b) WI Stats.
 - (a) The panel shall make a reasonable effort to accommodate anyone who

- wants to record, film, or photograph an open meeting so long as the activity does not interfere with the meeting (see s.19.90 WI Stats.).
- (b) No one may record a closed meeting under circumstances that might mean its private and secret nature could be violated. If the panel desires to record its closed meeting, it should arrange for the security of the records to prevent their improper disclosure (see 66 Op. Att'y Gen. 318,325[1977]).
- (2) A hearing shall be confined to a single charge against a faculty member.
 - (3) The hearing shall begin not more than 60 calendar days after the request for a hearing unless the Chancellor and the faculty member agree to another date. The panel shall provide written notice of the meeting at least 5 calendar days in advance.
 - (4) The notice of the hearing should include
 - (a) time, date, and location of hearings;
 - (b) a request that each party provide
 - i) any new documents regarding procedures for the panel to consider,
 - ii) copies of documents for each panel member and the other party, and
 - iii) the name of an advocate (however, if the faculty member chooses to be represented by an attorney, then the Chancellor and panel also may be represented by separate legal counsel, [see VI, A, 4, a, (2), (c) of these rules]); and
 - (c) a statement that both parties have the right and obligation to be present, and if either or both parties are absent, the hearing panel may recess or proceed at its discretion.
 - (5) The panel's record of proceedings shall include
 - (a) time and date of the meetings,
 - (b) names of panel members and participants present,
 - (c) a written record of the motions and roll call votes, (s.19.88(3)), and
 - (d) findings and recommendations.
 - (6) The panel shall conduct a procedural review (See VI, A, 3, a - d, f of these rules). If any significant procedural error is found, the panel shall
 - (a) terminate the proceedings under these rules,
 - (b) report its findings, in writing, to the faculty member, the Chancellor, and the Faculty Senate Chair, and
 - (c) return all copies of all documents to the Faculty Senate Chair who shall file one copy and destroy all other copies.
 - (7) If there are no procedural errors, the panel shall conduct a substantive review by the following procedures:
 - (a) Request that each party provide
 - i) additional documents, if any, concerning substantive issues for the panel to consider,
 - ii) a list of witnesses to be called,
 - iii) name of advocate (however, if the faculty member chooses to be represented by an attorney, then the Chancellor and the panel also

- may be represented by separate legal counsel [see VI, A, 4, a, (2), (c) of these rules]), and
 - iv) copies for each panel member and the other party.
- (b) Review the documents given to them by the Faculty Senate Chair regarding the substantive issues of the charge.
- (c) Grant a recess if the faculty member or the Chancellor presents substantive new information under section VI, A, 4, b, (7), (a), i) of these rules. The panel may grant a recess if such recess is necessary for a fair hearing and the need for such recess does not arise from neglect.
- (d) Hear oral testimony or take written statements from witnesses about information of which the witnesses have firsthand knowledge. The witnesses shall be available for questioning and cross examination. To this end, the hearing body shall
 - i) request the attendance of witnesses,
 - ii) direct the university to assist in securing the attendance of witnesses who university employees, and
 - iii) give the faculty member access to relevant documents which are in the possession of the university and which are necessary to his or her defense.
- (e) Call on its own initiative qualified witnesses to testify as to the charge. Such witnesses may be cross examined.
- (f) Dismiss evidence which is redundant or lacks reasonable probative value.
- (8) Faculty member's rights during a hearing:
 - (a) to have access to all documents presented in evidence (See VI, A, 4, b, (4), (b), ii) and VI, A, 4, b, (7), (a), i) of these rules),
 - (b) to call witnesses (See VI, A, 4, b, (7), (a), ii) and VI, A, 4, b, (7), (d) of these rules),
 - (c) to question witnesses (See VI, A, 4, b, (7), (d) and (e) of these rules),
 - (d) to request a recess if such recess is necessary for a fair hearing and the need for such recess does not arise from neglect (See VI, A, 2, e, (6) and VI, A, 4, b, (7), (c) of these rules),
 - (e) to have the university's assistance in securing the witnesses' presence at the hearing when such witnesses are university employees (See VI, A, 4, b, (7), (d), ii) of these rules),
 - (f) to be represented by an advocate (See VI, A, 4, b, (4), (b), iii) of these rules), and
 - (g) to be heard in his or her own behalf.
- (9) Concerning the disciplinary action, the panel may make recommendations to the Chancellor
 - (a) to uphold the Chancellor's charge and the proposed penalty(ies) and/or remedy(ies),
 - (b) to uphold some or all of the Chancellor's charge, but recommending reduction of the proposed penalty(ies) and/or remedy(ies), or

- (c) to dismiss the Chancellor's charge.
- (10) In writing, the panel shall inform the faculty member and the Chancellor of its rationale for the findings and recommendation of penalty(ies) and/or remedy(ies). Penalty(ies) and/or remedy(ies) (See VI, A, 2, f of these rules) may include any one or combination of the following:
 - (a) written reprimand,
 - (b) corrective intervention,
 - (c) fine,
 - (d) reduction in base salary,
 - (e) suspension without pay.
- (11) The panel's report of its findings and recommendations terminates all faculty responsibility for processing the complaint unless the faculty member contests the proposed penalty(ies) or (remedy(ies) (See VI, A, 4, c of these rules).
- c. Hearing on contested penalty(ies) and/or remedy(ies):
 - (1) When a faculty member has contested a proposed penalty for a charge which has been heard and upheld under VI, A, 4, b, (9), (a) or (b) and (10) of these rules, the hearing on the proposed penalty and recommendation to the Chancellor shall be conducted by the hearing panel which heard the charge.
 - (a) Such hearing may be conducted expediently if consistent with the requirements of s.19.84 WI Stats; however,
 - (b) such hearing shall commence no more than 14 calendar days after the panel's decision.
 - (2) If, within the period allowed for the written statement of his or her choice (VI, A, 3, g, (2) of these rules), a faculty member chooses to contest the proposed penalty(ies) and/or remedy(ies) but not the charge, then a hearing panel on the proposed penalty(ies) and/or remedy(ies) shall be chosen according to VI, A, 4, a of these rules.
 - (a) Such hearing shall be conducted in accordance with the requirements of s.19.84 WI Stats.
 - (b) The hearing on the penalty(ies) and/or remedy(ies) shall begin not more than 45 calendar days after the request for a hearing on the penalty(ies) and/or remedy(ies) unless the Chancellor and the faculty member agree to another date. The panel shall provide written notice of the meeting at least 5 calendar days in advance unless both the Chancellor and the faculty member charged agree to a shorter time.
 - (c) All meetings of a panel to hear a contested penalty(ies) and/or remedy(ies) shall be conducted under procedures in VI, A, 4, b, (1), (4), and (5) of these rules, state law governing meetings of public bodies, and the following:
 - i) each party may have one opportunity to present argument or evidence as to the
 - a) seriousness of the offense,
 - b) faculty member's previous behavior,
 - c) severity of penalties imposed on other faculty members for

- similar acts, and
 - d) extenuating or aggravating circumstances connected with the act(s) or event(s) which gave rise to the charge;
 - ii) each party may present one rebuttal.
- (3) In writing, the hearing panel shall inform the faculty member and the Chancellor of its recommendation and rationale for either
 - (a) the proposed penalty(ies) and/or remedy(ies), or
 - (b) penalty(ies) and/or remedy(ies) of lesser severity.
- (4) The panel's report of its recommendations and rationale for the penalty terminates all faculty responsibility for processing the complaint.
- d. Disposition of documents: Copies of the charge, all hearing records, panel recommendations, and Chancellor's decision shall be placed in the faculty member's personnel file in the office of the Vice Chancellor for Academic Affairs and in the University Archives.
- e. The Chancellor shall not impose penalty(ies) or remedy(ies) more severe than the penalty(ies) or remedy(ies) proposed by the Chancellor at the time the charge was issued.
- f. The Chancellor's decision on the recommendations of the hearing panel or on the complaint in the absence of panel recommendation shall be final except that the Board of Regents at its option might grant a review on the record (UWS 6.01 (5)).

Amendments to
Faculty and Academic Staff Personnel Rules
University of Wisconsin-Extension

EDUCATION COMMITTEE

Resolution I.1.d.(2):

That, upon recommendation of the Chancellor of the University of Wisconsin-Extension and the President of the University of Wisconsin System, the Board of Regents approves the amendments to the UW-Extension Faculty Personnel Rules, and acknowledges receipt of the UW-Extension Academic Staff Rule Revisions for review within 90 days.

FACULTY AND ACADEMIC STAFF PERSONNEL RULES UNIVERSITY OF WISCONSIN-EXTENSION

EXECUTIVE SUMMARY

BACKGROUND

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

The process is somewhat different for Academic Staff Rules Revisions. Academic Staff Rule Revisions must be reviewed by the Board but do not require Regent approval. Upon receipt of the campus Academic Staff Rule documents, the Senior Vice President for Academic Affairs sends the rule revisions to the Regents. According to UWS 9.02, *the changes go into effect as soon as they are forwarded to the Board of Regents*. If, within 90 days, the Regents call for a review of the policies and procedures, the part that is of concern will be suspended pending further action by the campus. **Because UW-Extension has combined Faculty and Academic Staff Personnel Rules, they are both presented here for appropriate action and review.**

The proposed amendments to the combined UW-Extension Faculty and Academic Staff Personnel Rules have been developed and approved by the appropriate faculty governance bodies throughout 2004 and 2005, and are recommended by Chancellor David Wilson. These revisions have also been reviewed by the UW System Office of the General Counsel and the Office of Academic Affairs.

The amendments to the UW-Extension Faculty and Academic Staff Personnel Rules are extensive, although in most instances they involve title and wording changes only. The changes to the rules are summarized below. The attached documents include only those sections of the revised and newly adopted rules in which substantive changes have been made. Both the edited version and the clean, revised copy of these sections are included. Complete versions of the original rules, with the changes tracked in the margins and the text, and of the revised rules are available online (<http://www.uwsa.edu/bor/meetings/>) or upon request from the Office of the Board of Regents. Because of their length, and the fact that most of the changes are not substantive, the documents in their entirety are not included here.

REQUESTED ACTION

Approval of Resolution I.1.d.(2), authorizing the amendments to the UW-Extension Faculty Personnel Rules, and acknowledging receipt of the Academic Staff Rule Revisions for review within 90 days.

DISCUSSION

The chart below documents the proposed changes to the UW-Extension Faculty and Academic Staff Personnel Rules, and includes the policy reference, the summary of and rationale

for the changes, as well as the date on which the changes were approved by faculty and academic staff governance. Policy changes that are excerpted in the accompanying documents are indicated as well.

<i>Policy Reference</i>	<i>Summary of Changes With Rationale</i>	<i>Date approved by governance group(s)</i>
Faculty Policies		
Faculty Articles of Governance: Article 2	Section 2.01 on Senate: membership – names of Cooperative Extension districts changed to reflect current administrative structure. Changed language from “must be” to “when possible” for alternating representation between paired districts within a geographic zone due to disparity in numbers of faculty between districts.	Changes approved by Faculty Senate 12-14-04
Faculty Articles of Governance: Appendix IIB UWEX Guidelines for Nominations for Tenure (excerpts included)	Section III.C. on tenure portfolio contents – changed from one multi-year and past three annual plans of work to plans of work and accomplishment reports. The new language is less Cooperative Extension-specific. Section VI on Early Tenure Consideration Granted at Time of Hire – clarified and strengthened language that a candidate for early tenure consideration must meet portfolio requirements.	Changes approved by Faculty Senate 9-14-04
Faculty Personnel Policies: Chapter UWEX 8 Unclassified Staff Code of Ethics	Changed title to include academic staff; changed UWEX to UW-Extension; other minor editorial changes	Approved by Academic Staff Council 5-12-04 and University Committee 11-2-05.
Academic Staff Policies		
UWEX Articles of Academic Staff Governance: Article 1 Definitions of Terms	Article 1.15 - changed number of members on Academic Staff Hearings Committee from six to seven to avoid a tie vote; other minor editorial and formatting changes	Approved by Academic Staff Council 4-13-04
UWEX Articles of Academic Staff Governance: Article 2 Extension Academic Staff Council	Names of UW-Extension divisions updated 2.01(3); two-thirds vote of Council required to remove a member for excessive absences from meetings 2.02(1); other minor editorial and formatting changes	Approved by Academic Staff Council 4-13-04
UWEX Articles of Academic Staff Governance: Article 3 Council Committees	Names of UW-Extension divisions updated; other minor editorial and formatting changes	Approved by Academic Staff Council 4-13-04
UWEX Articles of Academic Staff Governance: Article 4 Hearings Committee	Struck date of hearings committee election to provide for simultaneous election with the Council; other minor editorial and formatting changes	Approved by Academic Staff Council 4-13-04
UWEX Articles of Academic Staff Governance: Article 5 Systemwide Extension Council	Clarification made regarding a replacement member serving the duration of a vacated term; other minor editorial and formatting changes	Approved by Academic Staff Council 4-13-04
UWEX Articles of Academic Staff Governance: Appendix I Election Calendar	Deleted some specific date references and replaced them with points in the month; other minor editorial and formatting changes	Approved by Academic Staff Council 4-13-04
UWEX Academic Staff	See above under Faculty Policies (chapter applies	

Policies and Procedures: Chapter UWEX 8 Unclassified Staff Code of Ethics	to both faculty and academic staff)	
UWEX Academic Staff Policies and Procedures: Chapter UWEX 9 Definitions	9.17 members on Hearings Committee changed from six to seven to avoid tie vote; other minor editorial and formatting changes	Approved by Academic Staff Council 7-14-04
UWEX Academic Staff Policies and Procedures: Chapter UWEX 11 Dismissal of Academic Staff for Cause	Minor editorial and formatting changes; additional minor wording changes incorporated as recommended by System General Counsel	Approved by Academic Staff Council 8-11-04 and 12-21-05
UWEX Academic Staff Policies and Procedures: Chapter UWEX 12 Layoff of Academic Staff for Reasons of Budget or Program	Minor editorial and formatting changes	Approved by Academic Staff Council 8-11-04
UWEX Academic Staff Policies and Procedures: Chapter UWEX 13 Complaints and Grievances	Minor editorial and formatting changes; additional minor wording changes incorporated as recommended by System General Counsel	Approved by Academic Staff Council 8-11-04 and 12-21-05
Unclassified Personnel Guidelines		
University of Wisconsin-Extension Unclassified Personnel Guidelines (UPG) UPG #8 Sick Leave Use and Reports for UW-Extension Unclassified Employees	Added a section 8.03(5) to bring into compliance with UWS UPG #10 requiring certification of medical necessity for use of sick leave.	Approved by Faculty Senate 12-13-05 and Academic Staff Council 12-21-05

RECOMMENDATION

UW System Administration recommends approval of Resolution I.1.d.(2), authorizing the amendments to the UW-Extension Faculty Personnel Rules, and acknowledging receipt of the Academic Staff Rule Revisions for review within 90 days.

**UW-Extension Faculty Personnel Rules:
Excerpts of Major Changes (with tracking)**

**Changes to Faculty Articles of Governance: Appendix IIB UWEX Guidelines for
Nominations for Tenure**

Section III.C. – UWEX TENURE PORTFOLIO CONTENTS

The candidate supplies items described in sections A - F.

A. PROFESSIONAL RESUME (no more than 5 pages)

Include:

- Formal education and other significant relevant professional development
- Relevant employment (indicate UW-Extension employment and percent of time employed by UW-Extension)
- Professional and University contributions and recognition
- Experience with grants, collaborations, and supervision
- Publications or materials developed
- State, regional or national presentations
- Program materials developed

B. POSITION DESCRIPTION(S)

Include position descriptions for programming appointment, administrative appointment, or other significant candidate roles for which a description exists. If a significant change has occurred in a candidate's responsibilities, the candidate may wish to include any relevant explanation.

**C. ~~ONE MULTI-YEAR PLANS OF WORK AND PAST THREE ANNUAL
PLANS OF WORK AND ANNUAL ACCOMPLISHMENT REPORTS~~**

~~(Or equivalent documents required for the candidate's position.)~~

~~The development and maintenance of plans and reports that guide the work of individual faculty members are the responsibility of the individual probationary faculty member.~~

~~All probationary faculty members will utilize a format for presenting plans and reports that reasonably address the basics outlined below.~~

~~One multi-year and the past three annual plans of work specifically detailing the individual faculty member's role should reasonably address the following elements:~~

- ~~•Situation statement~~
- ~~•Program objectives~~
- ~~•Faculty member's response/planned activities~~
- ~~•Evaluation plan~~
- ~~•Professional development needs~~

~~Past three annual reports of accomplishments specifically detailing the individual faculty member's role should reasonably address the following elements:~~

~~• Situation statement~~

~~• Program objectives~~

~~Faculty member's response/activities completed impact documented~~ **PROGRAM DEVELOPMENT: PLANS OF WORK AND ACCOMPLISHMENT REPORTS**

The portfolio is intended to be a collection of relevant professional material developed over the probationary period of the faculty member.

It is the responsibility of the individual probationary faculty member to plan, develop, maintain, implement and assess a multi-year program of work. The purpose of this section of the tenure portfolio is to demonstrate that the probationary faculty member has engaged in this, or a similar process, throughout the probationary period. Candidates should include plan and report documents that they have prepared in response to department and/or administrative requirements, or for the general benefit of their own work and its review by faculty peers. In the absence of any explicit requirement to develop plan and report documents, the probationary faculty member may present a plan and report that chronicles the process and progress of program development.

Documentation presented in this section of the portfolio should reasonably address the following elements and detail the faculty member's role throughout the process:

- Situation statement
- Program objectives
- Faculty member's response/planned activities
- Impact/Outcomes
- Professional development in response to personal and programmatic needs

Section VI – Early Tenure Consideration Granted at Time of Hire

VI. Early Tenure Consideration Granted at Time of Hire

Early tenure consideration may be granted at the time of hire, meaning that the tenure process may be initiated before or within the first twelve months of the employment date of a faculty member. Generally, tenure may only be granted after a minimum of four years of probationary faculty employment in UW-Extension. The granting of early tenure consideration granted at the time of

hire begins when the candidate, the academic department and the appointment authority agree to a tenure consideration at time of hire. Candidates will be hired at the highest appropriate nontenure rank and if tenure is granted, the new rank will be effective at the time it is granted.

~~Candidates who have been granted early tenure consideration at the time of hire need not adhere to the format required of other candidates, except as noted below. The tenure application portfolio will consist of existing materials that show evidence of professional performance and scholarship and other materials requested by the department. The candidate will, at a minimum, address the elements of scholarship and document how they have met the criteria for evaluation for rank change and assessment standards found in Appendix I.B, Sections V. and VI.~~

While portfolios for candidates who have been granted early tenure consideration at the time of hire may differ from those of other candidates, it is the responsibility of the candidate to provide materials that, at a minimum, address the elements of scholarship and document how they have met the criteria for evaluation for rank change and assessment standards found in Appendix I.B, Sections V. and VI. The tenure application portfolio will consist of existing materials that show evidence of professional performance and scholarship and other materials requested by the department.

The academic department chair must provide a written explanation of the circumstances of the request for early tenure consideration granted at the time of hire in the letter which is forwarded to the dean. This explanation must include the candidate's previous position(s) and the new appointment in UW-Extension.

Nominations for early tenure consideration granted at the time of hire will follow the same channels as other tenure nominations (see section II). The department committees and the Faculty Tenure Advisory Committee should consider relevant information relating to the professional achievements of such candidates. These committees may also need to schedule special meetings to consider such candidates. The Faculty Tenure Advisory Committee must consider and act on applications for tenure for those granted early consideration at the time of hire within 30 days of the request by the dean to do so.

**UW-Extension Faculty Personnel Rules:
Excerpts of Major Changes (Clean, Revised Copy)**

Changes to Faculty Articles of Governance: Appendix IIB UWEX Guidelines for Nominations for Tenure

Section III.C. – UWEX TENURE PORTFOLIO CONTENTS

The candidate supplies items described in sections A - F.

A. PROFESSIONAL RESUME (no more than 5 pages)

Include:

- Formal education and other significant relevant professional development
- Relevant employment (indicate UW-Extension employment and percent of time employed by UW-Extension)
- Professional and University contributions and recognition
- Experience with grants, collaborations, and supervision
- Publications or materials developed
- State, regional or national presentations
- Program materials developed

B. POSITION DESCRIPTION(S)

Include position descriptions for programming appointment, administrative appointment, or other significant candidate roles for which a description exists. If a significant change has occurred in a candidate's responsibilities, the candidate may wish to include any relevant explanation.

C. PROGRAM DEVELOPMENT: PLANS OF WORK AND ACCOMPLISHMENT REPORTS

The portfolio is intended to be a collection of relevant professional material developed over the probationary period of the faculty member.

It is the responsibility of the individual probationary faculty member to plan, develop, maintain, implement and assess a multi-year program of work. The purpose of this section of the tenure portfolio is to demonstrate that the probationary faculty member has engaged in this, or a similar process, throughout the probationary period. Candidates should include plan and report documents that they have prepared in response to department and/or administrative requirements, or for the general benefit of their own work and its review by faculty peers. In the absence of any explicit requirement to develop plan and report documents, the probationary faculty member may present a plan and report that chronicles the process and progress of program development.

Documentation presented in this section of the portfolio should reasonably address the following elements and detail the faculty member's role throughout the process:

- Situation statement
- Program objectives
- Faculty member's response/planned activities
- Impact/Outcomes
- Professional development in response to personal and programmatic needs

Section VI – Early Tenure Consideration Granted at Time of Hire

Early Tenure Consideration Granted at Time of Hire

Early tenure consideration may be granted at the time of hire, meaning that the tenure process may be initiated before or within the first twelve months of the employment date of a faculty member. Generally, tenure may only be granted after a minimum of four years of probationary faculty employment in UW-Extension. The granting of early tenure consideration granted at the time of hire begins when the candidate, the academic department and the appointment authority agree to a tenure consideration at time of hire. Candidates will be hired at the highest appropriate nontenure rank and if tenure is granted, the new rank will be effective at the time it is granted.

While portfolios for candidates who have been granted early tenure consideration at the time of hire may differ from those of other candidates, it is the responsibility of the candidate to provide materials that, at a minimum, address the elements of scholarship and document how they have met the criteria for evaluation for rank change and assessment standards found in Appendix I.B, Sections V. and VI. The tenure application portfolio will consist of existing materials that show evidence of professional performance and scholarship and other materials requested by the department.

The academic department chair must provide a written explanation of the circumstances of the request for early tenure consideration granted at the time of hire in the letter which is forwarded to the dean. This explanation must include the candidate's previous position(s) and the new appointment in UW-Extension.

Nominations for early tenure consideration granted at the time of hire will follow the same channels as other tenure nominations (see section II). The department committees and the Faculty Tenure Advisory Committee should consider relevant information relating to the professional achievements of

such candidates. These committees may also need to schedule special meetings to consider such candidates. The Faculty Tenure Advisory Committee must consider and act on applications for tenure for those granted early consideration at the time of hire within 30 days of the request by the dean to do so.

The University of Wisconsin-Milwaukee
Charter School Contract Extension
Milwaukee College Preparatory School

EDUCATION COMMITTEE

Resolution I.1.e.:

That, upon recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approves the extension of the charter school contract with the M.C. Preparatory School of Wisconsin, Inc., together with amendments to the contract, maintaining a charter school known as the Milwaukee College Preparatory School.

**UNIVERSITY OF WISCONSIN-MILWAUKEE
OFFICE OF CHARTER SCHOOLS
CONTRACT AMENDMENT WITH
M.C. PREPARATORY SCHOOL OF WISCONSIN, INC.
EXECUTIVE SUMMARY**

INTRODUCTION

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

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

The Office of Charter Schools at UW-Milwaukee and Chancellor Santiago recommend that the M.C. Preparatory School of Wisconsin, Inc., be granted a five-year extension to its charter to operate an independent public school known as the Milwaukee College Preparatory School. The Milwaukee College Preparatory School was approved by the Board of Regents in June 2002 and has completed its fourth year of operation.

REQUESTED ACTION

Approval of Resolution I.1.e., authorizing the extension of the charter school contract with the M.C. Preparatory School of Wisconsin, Inc., to operate a public school known as the Milwaukee College Preparatory School.

BACKGROUND

UW-Milwaukee is authorized by Wis. Stat. 118.40 to charter K-12 schools within the city of Milwaukee. UW-Milwaukee is committed to chartering only those schools that have the potential to make a significant difference in the educational lives of urban students. To this end, the Office of Charter Schools (Office) has developed rigorous requirements that schools must meet in order to obtain and maintain a charter. An initial charter is granted for a five-year period during which the school must demonstrate progress toward stated goals. The decision to renew or non-renew a charter occurs at the end of the third year of operation (first semester of the fourth year) and is based on cumulative results. Renewal of a charter is based on evidence of meaningful progress on key measures of performance.

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

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

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

PROGRAM EVALUATION SUMMARY

M.C. Preparatory School of Wisconsin, Inc., (MCPS, Inc.) was incorporated in 1997 to "provide an outstanding educational opportunity for students of Milwaukee's central city." MCPS, Inc., did business as the Marva Collins Preparatory School from its inauguration through December 31, 2004. During that time, the school operated as an officially licensed "Marva Collins" school and used the methodologies Mrs. Collins pioneered at the Westside Preparatory School in Chicago, Illinois. As of January 1, 2005, the school's license agreement with Mrs. Collins was terminated and the school chose to rename itself the Milwaukee College Preparatory School (MCPS). MCPS, Inc., initially opened as a private, choice school operating under Wis. Stat. 119.23. On July 1, 2003, it reopened as a charter school authorized by UW-Milwaukee under the auspices of the Office of Charter Schools.

MCPS serves a population of approximately 470 disadvantaged minority students from a location in the heart of one of Milwaukee's most troubled neighborhoods. Given this setting, it is remarkable that student achievement results in reading and mathematics are comparable to state-wide averages, well ahead of the Milwaukee Public School average, and similar to benchmark school within the city of Milwaukee. This performance level is achieved through high expectations and the rigorous application of standards for teaching, learning, and behavior. School leadership is exceptionally strong, and the faculty and staff committed to the mission and the success of their students. Students attending MCPS are focused on learning and diligently apply themselves.

MCPS characterizes its mission as follows: "An unrelenting focus on academic achievement and character development is our cornerstone. We embrace an educational philosophy of love and hard work coupled with a college-bound curriculum grounded in basic skills, outstanding literature, and moral virtues. In partnership with parents, we provide a nurturing environment of high expectations and accountability that equips all students with the choice to determine their success in life." The vision of the School is "to be the most outstanding school in the state by empowering all students to become self-determined, self-generated, self-propelled, and self-reliant."

MCPS is governed by a nine member School Board (Board) composed of prominent local business people and one MCPS parent. The Board is led by President Ron Sadoff who was the driving force behind the development of MCPS. The Board meets quarterly with additional meetings scheduled as necessary. The Board conducted a capital campaign which raised \$4.87 million dollars. The proceeds of the campaign were used to purchase the building at a cost of \$1.2 million dollars and extensively remodel the building at a cost of \$3.2 million dollars. The capital campaign continues with plans to add additional space to accommodate a science laboratory and art and music instruction at a cost of \$1.2 million dollars.

Partnerships have been established with high-performing charter schools throughout the country. This includes a major partnership with KIPP Schools which has provided an array of training opportunities (ranging from an intensive six-week Leadership In Training seminar at the University of California-Berkeley, the annual Teacher Summit, and the opportunity for both students and staff to visit other high-performing schools). MCPS has also partnered with local schools of excellence such as the Bruce Guadalupe Community School on best practices and joint in-services. MCPS is currently involved in a video database project that will highlight best practices of outstanding teachers in schools with the best and clearest vision of great teaching. Other schools involved include: Roxbury Prep and Boston Prep in Massachusetts; Amistad Academy and Elm City College Prep in Connecticut; and North Star Academy in New Jersey.

MCPS describes its educational program as follows: "Milwaukee College Preparatory School has uncompromising academic and social expectations." The core curriculum consists of phonics, reading, poetry, vocabulary, foreign language, and mathematics. The school year follows a traditional September to June calendar with 170 actual teaching days (not including conference days and other non-teaching student contact days). The school day extends from 8:00 a.m. until noon for students in four-year-old kindergarten (plus 87.5 parental outreach

hours); 8:00 a.m. to 3:00 p.m. for students in five-year-old kindergarten through grade two; 8:00 a.m. to 3:30 p.m. for students in grades three and four; and 7:45 a.m. to 3:30 p.m. for students in grades five through eight. There is a heavy emphasis each day on social skills, reading, writing, and math, complemented by classes in French, science, social studies, and co-curricular classes (physical education, technology, art, and music).

The educational program focuses on positive affirmation and critical-thinking skills complemented by a basic, “no-nonsense” educational pedagogy. Positive affirmations and critical-thinking skills are intertwined with all instruction. Students are constantly praised for good choices or academic endeavors, and are constantly pushed to make connections, inferences or comparisons using the Socratic method. Classes are fast paced with a lot of emphasis on control. Activities are both mental and physical with students often chanting responses.

The teaching of the phonics and math is predominantly done using a direct instruction methodology. The Open Court reading and phonics series is the core of the language arts program. Phonics wall cards, which the students go through in a rather boisterous fashion, supply the students with the skills to decode and read. The math program follows the Saxon curriculum, almost verbatim, with the exception that all students study one year ahead of schedule (i.e., 2nd grade students complete the third grade material). Students are expected to complete algebra by the end of eighth grade. The 6+1 Traits Writing Program is used as a framework for school-wide writing instruction.

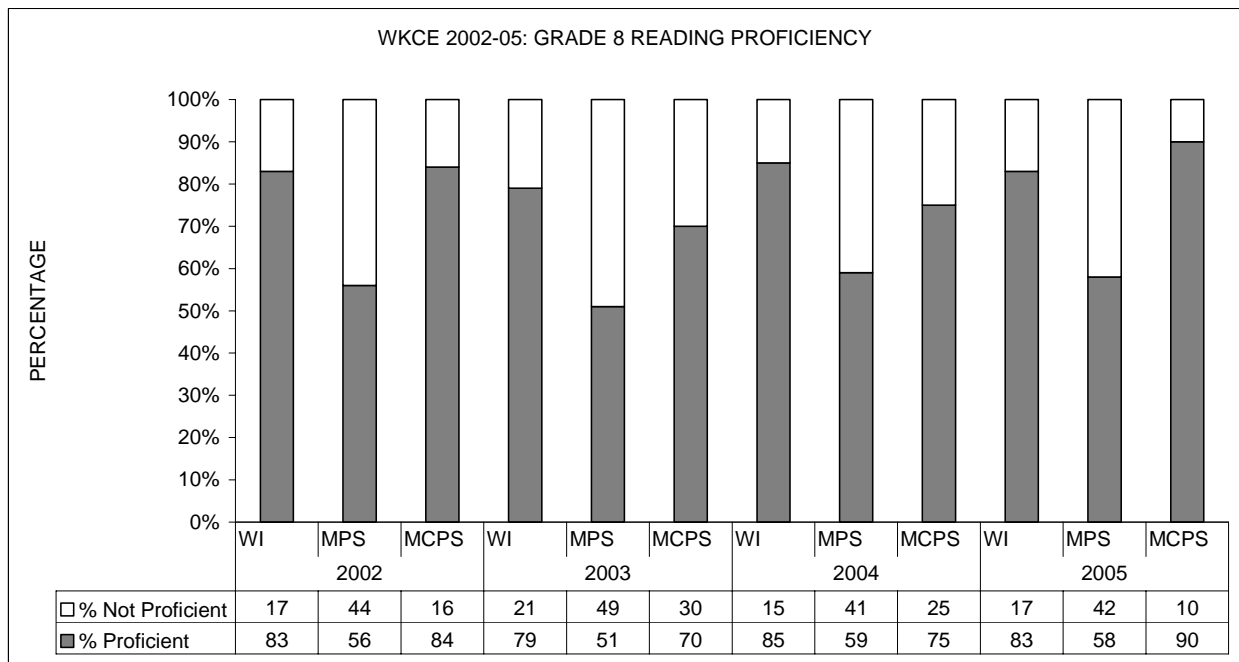
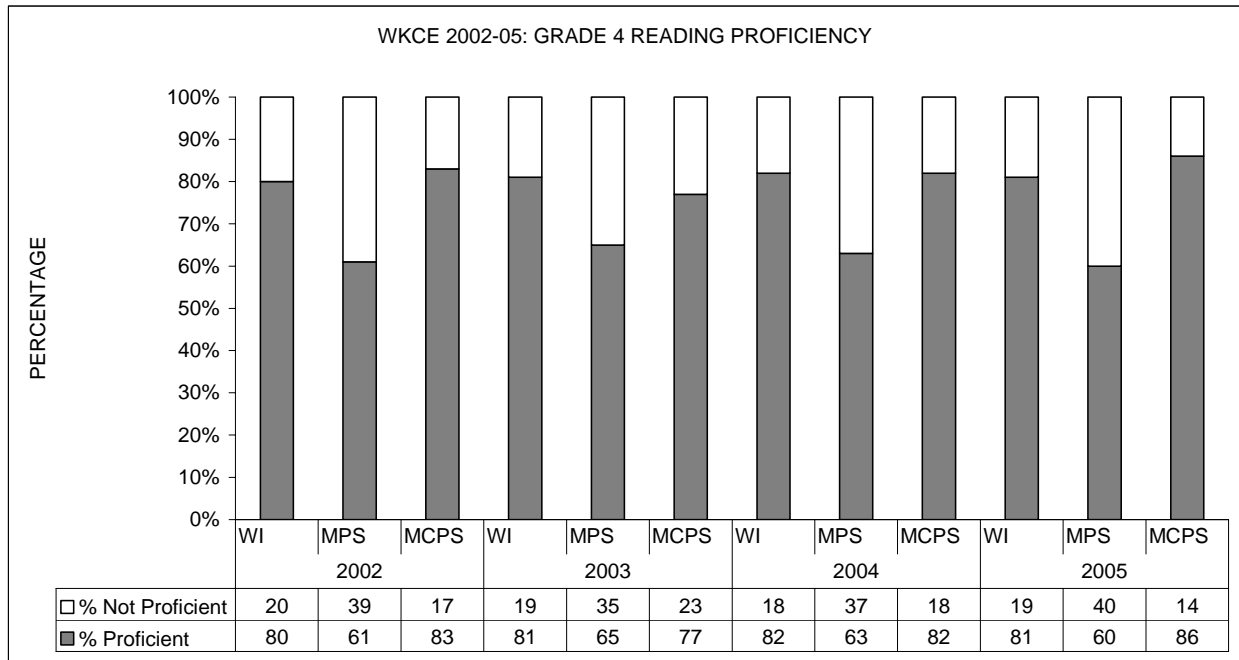
The Open Court and Saxon programs are complemented with the Accelerated Reading and Math Programs from Renaissance Learning. The Reading program encourages students to read independently at their grade level from a variety of genres. It helps increase fluency and exposes students to many new experiences via literature. The Math program helps students master basic skills.

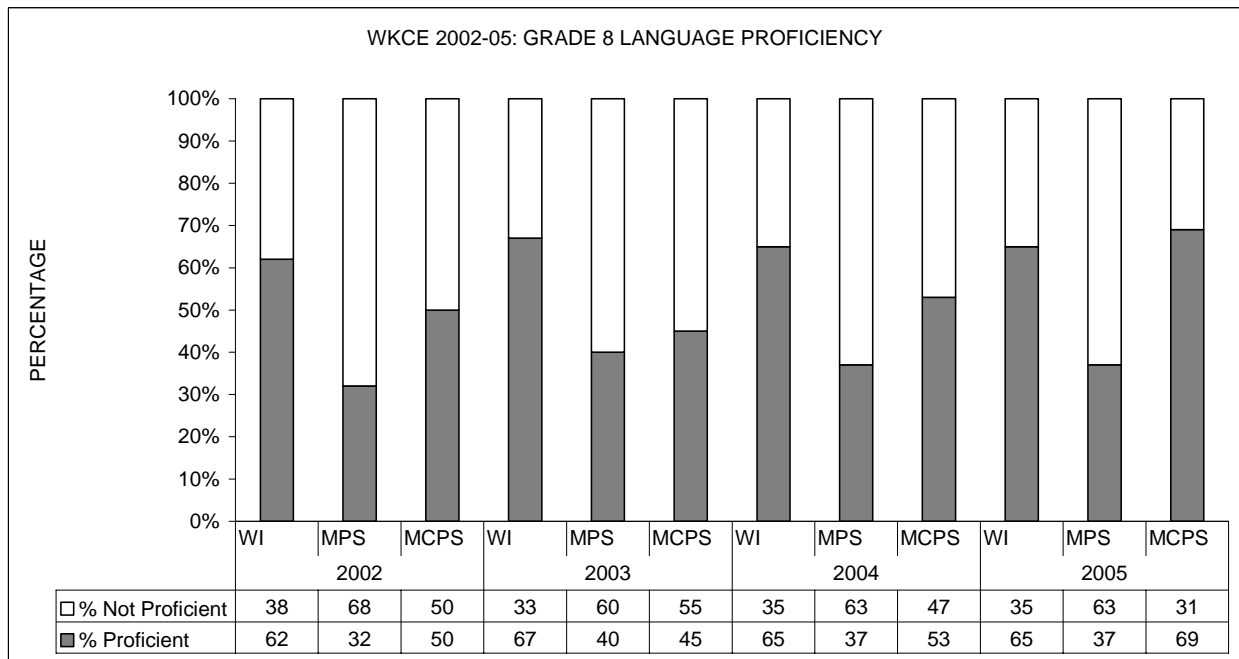
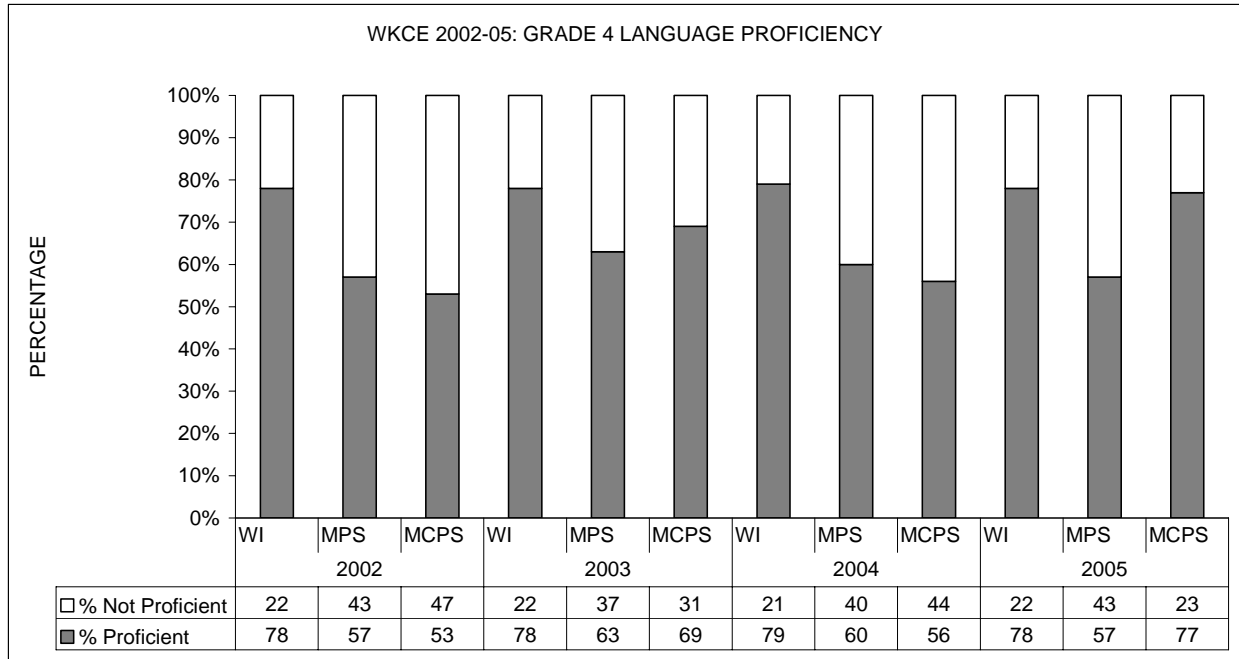
The Proactive Discipline System (System) is an essential element in maintaining a school culture of empowerment and learning. The School has earned a reputation for holding high expectations for students both academically and socially. It is expected that all students will live up to those standards. The System is based on the tenets of Steven Covey’s 7 Habits of Highly Effective People.

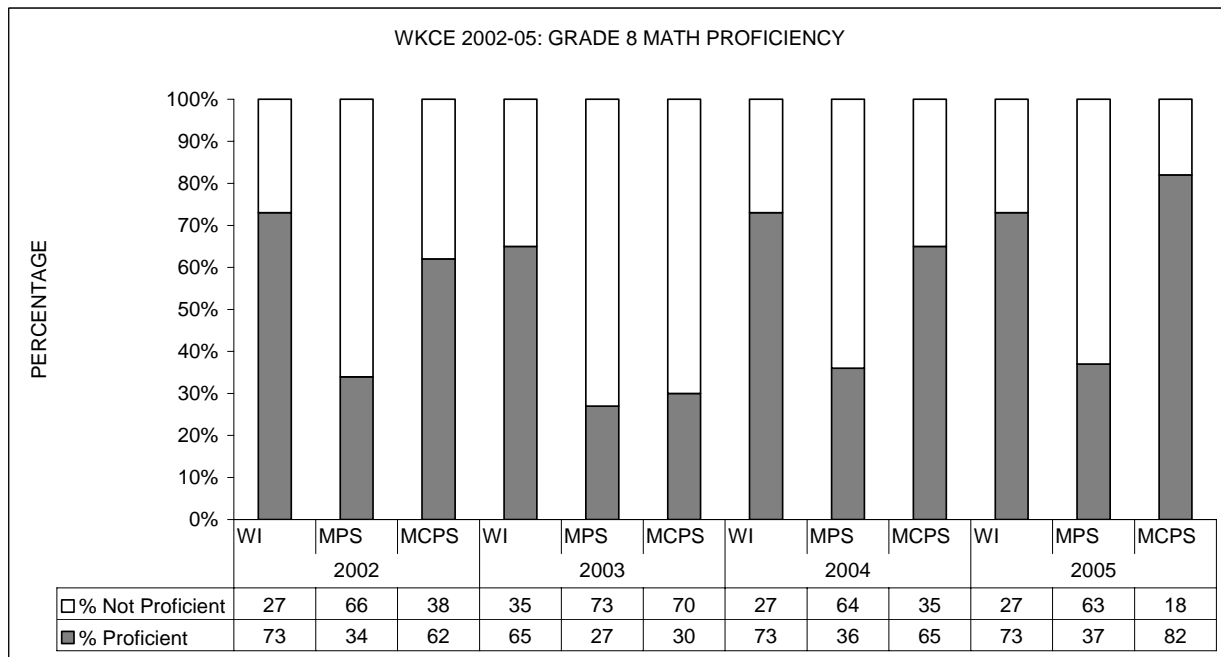
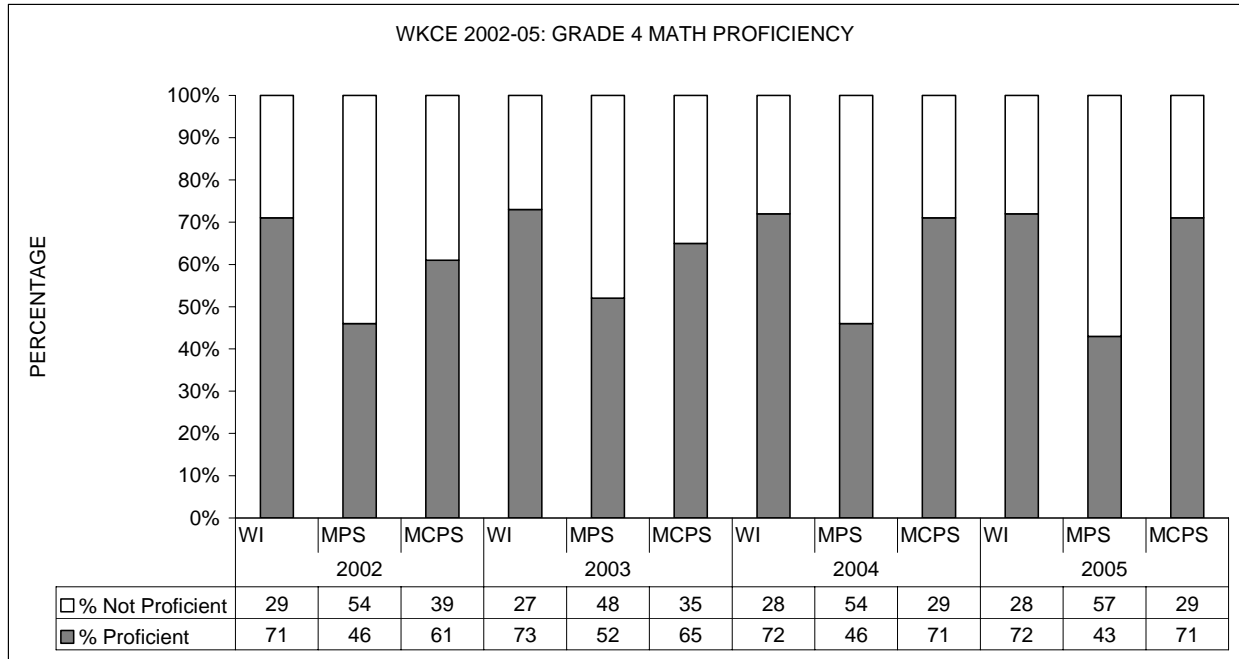
In grades 5 through 8, a system of “Virtuous Dollars” is used to promote and reward positive behavior. Every student starts the week with a full paycheck of 100 virtuous dollars or 20 virtuous dollars per day for shorter weeks. The program assumes that students meet all of their requirements during the week. If the student fails to do some part of his/her “job,” the pay is reduced. The student needs a paycheck average of 85 virtuous dollars per week to receive many privileges, including monthly rewards and the end-of-year trips.

In terms of academic achievement, MCPS ranks as one of the best K-8 schools in Milwaukee, as shown in the following graphs. These graphs depict proficiency classification rates of MCPS students, in comparison to all students in the state of Wisconsin and Milwaukee Public Schools (MPS) on the statewide Wisconsin Concept and Knowledge Examinations (WCKE). In reading, MCPS results exceed state-wide averages in both fourth and eighth grade.

In language arts, fourth-grade results are indistinguishable from state-wide averages, and the eighth-grade results exceed state-wide averages. The results are similar for mathematics, with MCPS fourth-grade results similar to state-wide averages, and eighth-grade results exceeding state-wide averages by nine percent (9%).







In addition to comparing proficiency classification rates of students at MCPS to those at MPS and to the state, the average student achievement at MCPS, as measured by the Terra Nova exam, was also compared to average performance in the nation. Within each cohort and academic area, an average scale score was calculated. These averages were calculated using all students that were tested each year, referred to as the *uncontrolled cohort*, as well as only those students that had been enrolled at MCPS since the school began operation, referred to as the

controlled cohort. While average scale scores obtained from the uncontrolled cohort may be affected by student mobility, average scale scores obtained from the controlled cohort control for any effect of student mobility and represent a more “purified” measure of the effect of MCPS on student achievement gains. For both sets of MCPS students, these average scale scores were compared to the average performance of students in the nation, referred to as the *norm group*, at each testing period.

The results indicated that regardless of grade level or subject area assessed, the achievement levels of the controlled and uncontrolled cohorts were virtually indistinguishable. Furthermore, the majority of graphical comparisons indicated that the performance of students at MCPS was typically as good as, or better than, the performance of the norm group in the subject areas of reading, language, and mathematics. Further analyses were conducted to determine whether there were statistically significant differences between the initial and final average achievement scores for the controlled cohort and those obtained from the norm group. These results are presented in Table 1. An “L” in the table indicates that the average scale score obtained from the controlled cohort was statistically lower than the average scale score obtained from the norm group. An “H” in the table indicates that the average scale score obtained from the controlled cohort was statistically higher than the average scale score obtained from the norm group. An “N” in the table indicates that the average scale scores for the two groups did not statistically differ. As the table indicates, the majority of comparisons were not found to be statistically significantly different from each other. However, initially, two of the MCPS cohorts performed at levels lower than the norm group in language, and the 2014 cohort performed at levels higher than the norm group in both reading and math. By the end of the three years, all of the MCPS cohorts were performing equally as well as the norm group in language. In addition, by the end of the three years, the 2010 cohort was performing at levels higher than the norm in reading and the 2013 cohort was performing at levels lower than the norm group in math. These findings support the hypothesis that MCPS is successfully narrowing the achievement gap between its students and a nationally representative group of students from around the country.

Table 1

Statistical Comparisons of Average Scale Scores Obtained from Controlled Cohorts and Norm Groups

CONTENT AREA	COHORT	INITIAL MEAN	END MEAN
READING	2014	H	
	2013	N	N
	2012	N	N
	2011	N	N
	2010	N	H
	2009	N	N
CONTENT AREA	COHORT	INITIAL MEAN	END MEAN
LANGUAGE	2014	N	
	2013	L	N
	2012	N	N
	2011	L	N
	2010	H	N
	2009	N	N
CONTENT AREA	COHORT	INITIAL MEAN	END MEAN
MATH	2014	H	
	2013	N	N
	2012	N	L
	2011	N	N
	2010	N	N
	2009	N	N

MCPS should expand educational efforts to bring achievement results for language arts to the present level of reading and mathematics achievement. In addition, science and social studies achievement is of special concern. The curriculum and instructional methodology should be closely examined and action taken to improve results.

Students, parents, faculty, and staff of MCPS are, overall, highly satisfied with the school. Students indicate they are pleased with their progress, parents would overwhelmingly place another child in the schools, and staff members are proud of the work they are doing. Student and faculty daily attendance is high. The majority of student discipline problems deal with homework and uniform infractions.

The school's financial situation is strong with almost five million dollars raised through a capital campaign. Audit reports consistently indicate that the school uses sound financial practices. The funds generated through the capital campaign have been used to purchase and extensively remodel the building. Plans are moving forward to expand the building to better accommodate science, art, and music instruction.

The faculty and staff work effectively and utilize the extensive training they are given in a very consistent manner. Student expectations are clearly established and faculty extend

themselves to address individual student needs. Faculty and staff have regular input into the operation of the school and have the ability to effect change.

The governance and leadership of the school is strong and highly accountable. Trust in the leadership is evident. Also evident is the high level of ethical conduct displayed by the school leaders. The school culture is one of accomplishment. Overall the school organization has the capacity to maintain and improve student performance.

It is recommended that the charter for the Milwaukee College Preparatory School of Wisconsin, Inc., to operate the Milwaukee College Preparatory School be extended for five (5) years.

ELEMENTS OF THE CONTRACT

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

1. Article One – Definitions - Key terms of the contract.
(No substantive changes.)
2. Article Two – Parties, Authority and Responsibilities.
(No substantive changes.)
3. Article Three – Obligations of the Grantee. This section is important in that it recites the requirements of the law and how the grantee will meet those requirements. This includes such topics as: (a) school governance; (b) measuring student progress; (c) methods to attain educational goals; (d) licensure of professional personnel; (e) health and safety; (f) admissions; (g) discipline; (h) insurance standards and other topics.
(Section 3.1 (11) establishes specific requirements for financial reporting to the Office. Section 3.1(14) sets new requirements for insurance coverage and provides for the grantee to apply for coverage waivers for certain small business contractors.)
4. Article Four – Additional Obligations. This section adds additional considerations that help define the school, its practices, UW-Milwaukee administrative fees, and financial reporting.
(No substantive changes.)
5. Article Five – Joint Responsibilities. This section details the review of the management contracts and methods of financial payments.
(Section 5.3 modifies and clarifies performance evaluation criteria and establishes requirements for accountability reporting.)

6. Article Six – Notices, Reports and Inspections. This section facilitates certain aspects of UW-Milwaukee’s oversight responsibilities.
(No substantive changes.)
7. Article Seven – Miscellaneous Provisions. Significant in this section are the Code of Ethics provisions (7.2).
(Section 7.6 clarifies requirements for open meetings.)
8. Article Eight – Provision Facilitating UW-Milwaukee Research. This section sets forth the guidelines that UW-Milwaukee will use to conduct research into the concept of charter schools and their impact upon educational practice.
(No substantive changes.)
9. Article Nine – Revocation of Agreement by UW-Milwaukee. This section establishes how the contract might be defaulted by the grantee and reasons for revocation by UW-Milwaukee. This section is critical to the idea that a charter school can be closed for not complying with the law, contract conditions, or failure to meet its educational purpose(s).
(Section 9.1(1) grants the University the right to terminate the charter contract if the school fails to make adequate yearly progress for three consecutive years under the federal No Child Left Behind requirements of ESEA Title I).
10. Article Ten – Termination by the Grantee. This is the reverse of Article 9 describing how the grantee may, under specified circumstances, terminate the contract.
(No substantive changes.)
11. Article Eleven – Technical Provisions. This section details standard contract language for mutual protection of the parties.
(No Substantive changes.)

RELATED REGENT POLICIES

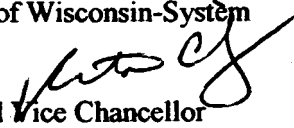
Regent Resolution 7905 (May 7, 1999).



Academic Affairs
Provost and Vice Chancellor

July 20, 2006

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

From: Rita Cheng 
Provost and Vice Chancellor

Re: Recommendation that MC Preparatory School of Wisconsin, Inc. be granted an extension to its charter in order to continue operate a public school known as the Milwaukee College Preparatory School.

The Office of Charter Schools (Office) has recommended to Chancellor Santiago and me that the MC Preparatory School of Wisconsin, Inc. be granted a charter extension to continue to operate a public school known as the Milwaukee College Preparatory School.

The Milwaukee College Preparatory School (MCPS) was the fifth charter school authorized by the University of Wisconsin-Milwaukee (UWM) and has completed its fourth year of operation. MCPS serves a population of approximately 470 disadvantaged minority students from its location at 2449 N. 36th Street in the heart of one of Milwaukee's most troubled neighborhoods. Given this setting, it is remarkable that student achievement results in reading and mathematics are comparable to state-wide averages, well ahead of the Milwaukee Public School average and similar to benchmark school within the city of Milwaukee. This performance level is achieved through high expectations and the rigorous application of standards for teaching, learning, and behavior. School leadership is exceptionally strong and the faculty and staff are committed the mission and the success of their students. Students attending MCPS are focused on learning and diligently apply themselves.

MCPS characterizes its mission as follows: "An unrelenting focus on academic achievement and character development is our cornerstone. We embrace an educational philosophy of love and hard work coupled with a college-bound curriculum grounded in basic skills, outstanding literature, and moral virtues. In partnership with parents, we provide a nurturing environment of high expectations and accountability that equips all students with the choice to determine their success in life." The vision of the School is "to be the most outstanding school in the state by empowering all students to become self-determined, self-generated, self-propelled, and self-reliant."

MCPS is governed by a nine member School Board (Board) composed of prominent local business people and one MCPS parent. The Board is led by

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JUL 31 2006

Sr. Vice
President Academic

Sr. Vice President
Corporate Affairs
PO Box 413
Milwaukee, WI
53201-0413
414 229-4501 phone
414 229-4929 fax
www.uwm.edu/Dept/
Acad_Aff/

President Ron Sadoff who was the driving force behind the development of MCPS. The Board conducted a capital campaign which raised \$4.87 million dollars. The proceeds of the campaign were used to purchase the building at a cost of \$1.2 million dollars and extensively remodel the building at a cost of \$3.2 million dollars. The capital campaign continues with plans to add additional space to accommodate a science laboratory and art and music instruction at a cost of \$1.2 million dollars.

Partnerships have been established with high performing charter schools throughout the country. This includes a major partnership with KIPP Schools which has provided an array of training opportunities (ranging from an intensive 6 week Leadership In Training seminar at UC-Berkeley, the annual Teacher Summit, and the opportunity for both students and staff to visit other high performing schools). MCPS has also partnered with local schools of excellence such as Bruce Guadalupe Community School on best practices and joint in-services. MCPS is currently involved in a video database project that will highlight best practices of outstanding teachers in schools with the best and clearest vision of great teaching. Other schools involved include: Roxbury Prep (MA), Boston Prep (MA), Amistad Academy (CT), Elm City College Prep (CT), and North Star Academy (NJ).

The Office of Charter Schools initiated the summative evaluation of MCPS in September, 2005. On the basis of the evaluation, the Evaluation Committee recommends that the MCPS charter be extended for five additional years. (Five years is the maximum extension.) The recommendation of the Committee was approved by the Charter School Advisory Committee in December of 2005. UWM Legal Affairs negotiated a contract amendment with the Board. The amendment to the initial charter contract between the Board and UWM has been completed and approved by UWM Legal Affairs. The attached contract amendment meets all requirements of the UWM model charter school agreement. MCPS is prepared to operate in accordance with all applicable state and federal requirements for charter schools.

The Office of Charter Schools believes that the MCPS program is making and will continue to make a positive difference in the educational lives of Milwaukee's children and is worthy of the charter extension.

I am requesting that this be placed on the agenda for the Board of Regents Education Committee meeting in August 2006.

A copy of the contract amendment is attached and is also being transmitted electronically to Janice Sheppard of UW System Academic and Students Services and to Pat Brady of UW System Office of the General Counsel.

If you have questions, please feel free to contact my office at 414-229-4501 or Professor Robert Kattman, Director, Office of Charter Schools at 414-229-4682.

cc: Carlos Santiago, Chancellor
Kirstin Goetz, University Legal Counsel
Robert Kattman, Director, Office of Charter Schools

CHARTER SCHOOL CONTRACT

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

AND

M.C. PREPARATORY SCHOOL OF WISCONSIN, INC.
(d/b/a Milwaukee College Preparatory School)

CHARTER SCHOOL CONTRACT
BETWEEN
THE BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM
(d/b/a the University of Wisconsin-Milwaukee)
AND
M.C. PREPARATORY SCHOOL OF WISCONSIN, INC.
(d/b/a Milwaukee College Preparatory School)

This Contract is made this 18 day of August, 2006 by and between the Board of Regents of the University of Wisconsin System (d/b/a the University of Wisconsin-Milwaukee), located at P.O. Box 413, Milwaukee, WI 53201, and M.C. Preparatory School of Wisconsin, Inc. (d/b/a Milwaukee College Preparatory School), located at 2449 N. 36th Street, Milwaukee, WI 53210.

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

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

Whereas, the Board of Regents of the University of Wisconsin System has previously approved (i) the Chancellor's grant of a charter to the Charter School to the Grantee and (ii) on August 18, 2006, the Board of Regents of the University of Wisconsin System approved the Chancellor's entering into this Contract with the Grantee for continued operation of the Charter School; and

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

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

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

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

Whereas, the Parties (as defined below) have successfully negotiated this Contract as a charter school contract in accordance with s. 118.40, *Wisconsin Statutes*, and in particular, the provisions specified under sub. (1m)(b) 1. to 14. and sub. (2r)(b), and additional provisions as authorized by sub. (2r)(b);

NOW THEREFORE,

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

ARTICLE ONE

DEFINITIONS

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

- (1) “Applicable Law” means all federal, state, and local law now or in the future applicable to Wisconsin charter schools.
- (2) “Board” or “Board of Regents” means the Board of Regents of the University of Wisconsin System.
- (3) “Chancellor” means the Chancellor of the University of Wisconsin-Milwaukee or any designee of the Chancellor.
- (4) “Office” means the Office of Charter Schools at the University of Wisconsin-Milwaukee, and for the purposes of this contract, is a designee of the Chancellor.
- (5) “Charter School” and “School” mean a school to be known as Milwaukee College Preparatory School, which is under the control of the Grantee, a Wisconsin nonstock, nonprofit corporation.

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

ARTICLE TWO

PARTIES, AUTHORITY AND RESPONSIBILITIES

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

Section 2.2 The University.

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

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

Section 2.4 The Parties agree that the establishment of the Charter School shall have no effect on the liability of the University other than as to those obligations specifically undertaken by the University herein. The University thus shall not be liable to any person not a Party to this Contract on account of the establishment or operation of the Charter School. Further, the University assumes no obligation with respect to any officer, director, employee, agent, parent, guardian, student, or independent contractor of the Grantee or the Charter School, or any other persons receiving services from or doing business with the Grantee.

ARTICLE THREE

OBLIGATIONS OF GRANTEE UNDER WISCONSIN STATUTES SECTION 118.40

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

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

M.C. Preparatory School of Wisconsin, Inc. (d/b/a Milwaukee College Preparatory School)

(2) The name of the person who will be in charge of the Charter School and the manner in which administrative services will be provided:

Robert Rauh has been the Principal of the School since its inception on July 1, 1997 and will continue to serve in that capacity. The Principal is the head of an administrative team, which includes an Elementary Vice-Principal, Middle School Vice-Principal, Curriculum Coordinator, and two Administrative Assistants, who are responsible for the operation of the School. The School also employs a part-time business manager and a part-time Director of Development.

At the heart of Milwaukee College Prep's mission is to have excellent learning taking place in each and every classroom throughout the School and to have a nurturing and safe climate permeate the building for the benefit of its students and their families.

The administrative team will provide the teachers with the support that they need to be successful in their classrooms. The Principal is responsible for all final decisions, but all significant administrative and instructive decisions will be made in consultation with the administrative team and with input from teachers, students and parents.

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

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

Milwaukee College Prep will provide a college prep curriculum and set high expectations for its students in grades K4 through 8. The Milwaukee College Prep curriculum is and will continue to be steeped in no nonsense educational basics coupled with a heavy dose of critical thinking skills and positive affirmation. The core of the School's language arts program is its phonics program. The phonics' wall cards, which the students go through each day, supply the students with the skills to decode and read almost any word in the English language.

The spelling, writing and reading lessons all emanate from the concepts being taught in phonics. As the students' decoding skills increase, they are immersed in literature, both of free choice and assigned classics, to hone their reading skills and develop comprehension skills. The Open Court Headway Program texts are used for developing comprehension and is complemented by chapter books and novels such as Charlotte's Web, Roll of Thunder Hear My Cry, Farmer Boy, Gifted Hands (Dr. Ben Carson), The Trumpeter and the Swan, Shakespeare's plays, and William Bennett's Book of Virtues.

The reading of "free choice" literature is monitored by use of the Accelerated Reader (AR) program from Renaissance Learning. Through use of the AR program, the School tracks how much and how well its students are doing with independent reading. In addition, the students are expected to memorize a poem each week.

The School has adopted the Saxon math curriculum and is following it almost verbatim, with the exception of promoting all students one year ahead of schedule (ie: the 2nd grade completes the third grade material). The School expects its students to have completed basic algebra by the end of 7th grade. It also complements the Saxon program with the Accelerated Math program, also from Renaissance Learning.

The Social Studies curriculum is incorporated into the reading series in grades K-4. Starting in 5th grade there is a sequential study of world cultures, ancient history and then two years of U.S. History. Formal Science study begins in 1st grade utilizing the FOSS science program. All students, starting with 5-year-old kindergarten, take French at least three times a week.

In addition to core curriculum, Milwaukee College Prep students take Physical Education twice per week and Art, Technology and Music once per week.

- (4) The methods the School will use to enable pupils to attain the educational goals under Wis. Stat. § 118.01, including a description of how pupils with disabilities will be served:

Milwaukee College Prep will use the following methods to help pupils attain the educational goals set forth under Wis. Stat. § 118.01:

- (a) hire excellent teachers, train them in the School's curriculum and philosophy, and retain them through competitive pay and benefits;
 - (b) maintain a strong support system for teachers;
 - (c) establish a proactive discipline system that increases time on task in the classroom;
 - (d) do everything possible to see that each child succeeds.
 - (e) teach through chants or jingles, which keeps the students actively involved in the learning process and promotes learning through repetition;
 - (f) maintain a positive student teacher ratio. Classroom size is approximately 24 students with a teacher and an Educational Assistant assigned to each room through 2nd grade.
 - (g) build strong bridges with parents to work together in the best interest of each child;
 - (i) focus on results without teaching to the test and spending little time on test preparation.
 - (j) Students with Individual Educational Plans are serviced by two full-time staff members and a speech teacher, each of whom hold applicable DPI licenses. Students are served both in the classroom setting and in pull-out sessions, according to the goals written in their IEP.
- (5) The method by which pupil progress in attaining the educational goals under Wis. Stat. § 118.01 will be measured:
- (a) The Charter School shall administer the examinations under Wis. Stat. §§ 118.30(1r) and 121.02(1)(r) to pupils enrolled in the Charter School and shall cause the testing data for the Charter School to be transmitted to the Office in such form as the District shall customarily transmit such data.

- (b) With respect to examinations required under Wis. Stat. § 118.30(lr), the Parties hereby agree that, if the District's Board of School Directors shall develop or adopt any of its own examination(s) (in lieu of the Department's examination(s)) for administration to the District's pupils, the Charter School may elect to administer and transmit testing data for either the Department's or the District's examination(s). In that event, the Charter School shall provide the Office six months' notice of its plan to use such examination(s) and shall give the Chancellor a timely opportunity to comment on the intended change.
 - (c) The Charter School shall also administer, at least quarterly, an assessment, approved by the Office, designed to measure student progress and to provide information that can be used to improve teaching and learning and shall cause the testing data to be transmitted to the Office in a timely manner.
- (6) The governance structure of the School, including the method to be followed by the School Board to ensure parental involvement:

The Board of Directors' primary functions are to approve general policies, raise and oversee the finances of the School, and plan for its future. The Board may consist of between 5 and 16 members, but not less than 5 members, and Board members serve two-year terms. There are currently two parents of students serving on the Board.

All implementation, overseeing of day to day operations, personnel matters, and relationships with constituents are the responsibility of the Principal and the School's administrative team. The Board of Directors relies upon the administration to hear and adjudicate any grievances according to the policies found in the staff, parent, and student handbooks.

The Board of Directors is also solely responsible for hiring and evaluating the Principal. The Principal is responsible for making sure that the School remains true to its mission and for all decisions in regards to the day to day affairs of the School.

The Milwaukee College Prep Leadership Council is an advisory group consisting of parents of students and staff members. It serves as the parental voice and support of the School, with its mission to both develop a positive and welcoming climate for all parents and to work closely with the School in meeting its mission. The Leadership Council meets at least monthly throughout the School year.

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

All school personnel for whom licensure is required under Wis. Stat. §§ 118.19(1) and 121.02(1)(a)2 shall hold a license or permit to teach issued by the Department. Notwithstanding the foregoing, however, the Parties acknowledge and agree that the Charter School is not an instrumentality of the District, and thus that the Charter School is not subject to requirements arising in connection with Wis. Stat. §§ 118.40(7)(a) and 118.40(7)(am). In addition, all guidelines of the No Child Left Behind legislation are followed when hiring staff.

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

All applicable building, fire and health codes will be complied with.

Milwaukee College Prep contracts with a security guard to monitor the main entrance throughout the day.

Wisconsin School for Professional Psychiatry provides three interns who spend two hours apiece at the School each week providing counseling services as needed.

The School has its own kitchen staff that provides hot breakfast and lunch for the children, as well as a snack for its extended day program participants.

There is a playground on the south end of the building with three different play structures designed for different aged students.

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

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

The school employs a blind admissions policy as set forth in Section 3.1(10) below.

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

(a) Applications will be distributed and accepted in March each year.

(b) After the March 31st registration deadline, if the number of complete applications (complete = school application, proof of Milwaukee residency, proof of eligibility under Wis. Stat. §118.40(2r)(c)2, and birth certificate for K4 and K5) exceeds the number of seats available, a drawing will be held to fill the slots. The drawing will be held within 15 days of the registration deadline.

- (c) All applications will be randomly assigned a number, and then numbers will be drawn from a container to determine placement order, beginning with K4.
- (e) Siblings of currently enrolled students get priority placement.
- (f) If a number is drawn of an applicant who has older siblings also applying, the older siblings will get immediately placed in their respective grade(s) if space permits.
- (g) Drawing will continue until all slots are filled and a waiting list order is determined.
- (h) The selection meeting is open to the public.
- (i) Letters will be sent to all applicants within 10 days of the drawing to inform them of their acceptance or their number on waiting list.
- (j) After the March open enrollment period, applications will be accepted on a first come first serve basis, with completed applications being assigned to open seats or placed on the waiting list (if no open seats are available) as they are turned in.

The Grantee acknowledges and agrees that, if the School receives funds under the federal Public Charter School Program, it must use a lottery to admit students if the School is oversubscribed, in which case the Grantee agrees to hold such lottery no later than 30 days prior to the start of each academic year.

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

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

- (a) Total Revenue
 - (1) State per pupil aid
 - (2) Special Education aid
 - (3) Federal aid broken down by program source/title
 - (4) Grants
 - (5) Donations

(6) Other

(b) Total Expenditures

(1) Instruction including special education

(2) Pupil services

(3) Instructional support including curriculum development,
library/media and faculty/staff development

(4) School Board/Administration

(5) Facilities

(6) Contracted Services

(7) Debt service

(8) Other

(12) The procedure for disciplining students is set forth in Appendix C attached hereto. In addition, Section 118.31, Wisconsin Statutes, which prohibits corporal punishment of pupils, shall apply to the Charter School.

(13) The public school alternatives for pupils who reside in the District and do not wish to attend or are not admitted to the Charter School: Under Wis. Stat. § 118.40(6), no pupil may be required to attend the Charter School. Students who reside in the District and do not wish to attend the Charter School remain eligible to attend the District's schools.

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

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

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

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Fidelity Bond Coverage (for the employees, School Board members and management companies who are responsible for the financial decisions of the Charter School, including but not limited to the CEO)	
Limit per Loss	\$500,000
B. Worker's Compensation	
Worker's Compensation	Statutory Coverage

Employer's Liability Limits:

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

- C. Commercial General Liability (which must delete any X, C, and U exclusions and must include coverage for sexual abuse and molestation, corporal punishment, athletic events, and use of gymnasium equipment)

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

- D. Auto Liability

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

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

- F. School Leader's Errors & Omissions/Educator's Legal Liability

Aggregate Limit	\$2,000,000
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The "Board of Regents of the University of Wisconsin System on behalf of the University of Wisconsin Milwaukee" shall be named as an additional insured under the insurance policies described in section C above. A certificate of insurance evidencing the aforementioned insurance requirements is to be provided to the Office annually, prior to the start of each academic year; specifically, the certificate holder shall be the UWM Office of Charter Schools, Enderis Hall Room 582, P.O. Box 413, Milwaukee, WI 53201. Under no circumstances is the Board's right to recovery of damages limited to the fact that it is named as an additional insured under the insurance policies noted above.

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

A. Workers Compensation	Statutory Coverage
B. Commercial General Liability	
Each Occurrence Limit	\$1,000,000
General Aggregate	\$1,000,000
Products-Completed	
Operations Aggregate	\$1,000,000
C. Automobile Liability	
Combined Single Limit	\$1,000,000

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

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

- (15) The effect of the establishment of the Charter School on the liability of the University:
 - (a) The University shall not be liable to any person not a Party to this Contract on account of the establishment or operation of the Charter School. Further, the University assumes no obligation with respect to any officer, director, employee, agent, parent, guardian, student, or independent contractor of the Grantee or the Charter School, or any other persons receiving services from or doing business with the Grantee.
 - (b) The Parties agree that nothing contained in this Contract will create any association, partnership, or joint venture between the Parties, or any employer-employee relationship between the University and the Grantee or the Charter School.

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

Section 3.3 Tuition. To the extent provided in Wis. Stat. § 118.40 *et seq.*, the Charter School shall not charge tuition.

Section 3.4 Anti-discrimination. The Charter School may not discriminate in admission or deny participation in any program or activity on the basis of a person's sex, race, religion, national origin, ancestry, pregnancy, marital or parental status, sexual orientation or physical, mental, emotional or learning disability.

ARTICLE FOUR

ADDITIONAL OBLIGATIONS OF THE GRANTEE

The Grantee hereby covenants to undertake the following:

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

- (1) Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d-2000d-7;
- (2) Title IX of the Education Amendments of 1972, 20 U.S.C. § 1681 *et seq.*;
- (3) Age Discrimination Act of 1985, 42 U.S.C. § 6101 *et seq.*;
- (4) Section 504 of the Rehabilitation Act of 1974, 29 U.S.C. § 794, and the Americans with Disabilities Act, 42 U.S.C. §§ 12101-12213.
- (5) Individuals with Disabilities Education Act, 20 U.S.C. § 1400-1485 *et seq.*
- (6) Family Education and Privacy Rights Act, 20 U.S.C. § 1232(g);
- (7) Drug-Free Workplace Act, 41 U.S.C. § 701 *et seq.*;
- (8) Asbestos Hazard Emergency Response Act, 15 U.S.C. §§ 2641-2655; and
- (9) No Child Left Behind Act of 2001, 20 U.S.C. §§ 6301-6578, and its implementing regulations, 34 C.F.R. § 200 *et seq.*

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

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

Section 4.2 Non-profit Status. The Charter School has been created and shall be maintained and operated by the Grantee, a nonstock corporation created under chapter 181, Wisconsin Statutes. The Grantee shall provide to the Office documentary

evidence that it is a nonstock organization in good standing under the laws of the State of Wisconsin, including a copy of its By Laws, by the date this Contract is executed. The Grantee shall remain a nonstock corporation under the laws of Wisconsin for the duration of this Contract and shall from time to time (but not more often than annually) after the date this Contract is executed, as the Chancellor requests, provide the Office documentary evidence that confirms its good standing and its nonstock status. The Grantee shall maintain its tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986.

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

Section 4.4 Employment of Personnel. The Grantee or its agents or designees shall contract with personnel in accordance with all state law requirements regarding certification and qualifications of employees of public schools, including but not limited to, Wis. Stat. § 118.19 and Wis. Stat. § 121.02. The Grantee shall provide to the Office a copy of all faculty and staff certification reports filed with the Department, including but not limited to the Fall Staff Report (Report No. PI-1202), showing that such personnel are licensed as required by this section or have applied for licensure from the Department. The Grantee or its designee shall make available to the Office, upon request, all licenses, certifications, and employment contracts for personnel engaged at the Charter School.

Section 4.5 [Omitted.]

Section 4.6 Administrative Fee.

- (1) The Grantee shall pay to the University annually an administrative fee to reimburse the University for the actual direct and indirect costs of administering this Contract during each period of July 1 to June 30 during the term of this Contract, which actual costs shall include but not be limited to execution of the University’s oversight responsibilities. Actual costs shall not include research

fees. The administrative fee shall be determined by the University but shall not exceed 3% of the amount paid to the Grantee each year by the Department under Article Five, Section 5.2 of this Contract.

- (2) Not later than June 1 of each year during the term of this Contract, the University shall provide the Grantee with an itemized budget showing the University's best estimate of its proposed total expenditures for administering the Contract during the upcoming period of July 1 to June 30. The Grantee shall thereafter pay to the University the amount of such proposed total expenditures, but not more than the maximum set forth in section 4.6(1) above, doing so in four (4) equal payments, each due within ten (10) days after the Grantee shall have received from the Department a quarterly payment payable under Wis. Stat. § 118.40(2r)(e).
- (3) In addition, not later than October 1 of each year during the term of this Contract, the University shall provide the Grantee with an end of year financial statement showing the University's actual total expenditures for administering the Contract, as provided in this Section 4.6, during the period of July 1 to June 30 then just completed. Within ninety (90) days after the Grantee receives such end of year financial statement, the University shall pay to the Grantee, or the Grantee to the University, as the case may be, the difference between (i) the amount of the University's actual total expenditures during the period of July 1 to June 30 summarized in such end of year fiscal statement and (ii) the amount paid by the Grantee with respect to such period. Any reconciling payments made by Grantee pursuant to this Section 4.6(3) shall, however, remain subject to the 3% cap on aggregate administrative fees imposed by Section 4.6(1).

Section 4.7 Student Activities and Rental Fees.

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

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

Section 4.9 Inspection of Charter School Facilities. The Grantee shall permit any designee(s) of the Chancellor to inspect Charter School facilities at any time during the term

of this Contract, provided that such inspection shall not materially interfere with the orderly and efficient operation of the Charter School.

- Section 4.10 Access to Charter School Records. Subject to Applicable Law, the Grantee shall grant any designee(s) of the Chancellor upon reasonable notice the right to reasonably inspect and copy at cost any and all Charter School records and documents, including but not limited to pupil records and reports submitted by the Grantee to the Department, at any time within normal business hours during the term of this Contract; provided, however, that such inspection shall not materially interfere with the orderly and efficient operation of the Charter School or otherwise unduly burden the staff of said school. The Grantee shall provide the Office with a copy of any report submitted to the Department at the time of filing, including the reports identified in Appendix B. The Grantee also agrees to provide the Office with a copy of any and all Charter School records and documents within two (2) weeks of any reasonable request.
- Section 4.11 Financial Reports. As required under Section 3.1(11) of this Contract, the Grantee shall submit audited financial statements of the Charter School's operation, including an audited report of the Charter School's revenues and expenditures in each of the categories and subcategories listed in Section 3.1(11), the auditor's management letters and any exceptions noted by the auditors, to the Office annually. The audit reports shall be prepared by a certified public accountant and submitted to the Office within 120 days after the end of the Grantee's fiscal year on June 30. Audits shall be conducted in accordance with generally accepted auditing standards and with the prevailing Government Auditing Standards issued by the Comptroller General of the United States. Audited statements shall be prepared in accordance with "Generally Accepted Accounting Principles" [GAAP]. In the case that the Grantee contracts with one or more management companies for the operation or administration of the Charter School, the report shall include the management companies' expenditures on behalf of the Charter School.
- Section 4.12 School Year Calendar. The calendar for each school year shall be submitted to the Office no later than the prior June 1 and shall be subject to the approval of the Chancellor or Chancellor's designee. If the Chancellor or Chancellor's designee does not notify the Grantee otherwise, the calendar shall be deemed approved 30 days after submission to the Office.
- Section 4.13 Grant Applications. The Grantee shall submit to the Office copies of any applications for grants made on behalf of the Charter School at the time the application is submitted to the funding authority.
- Section 4.14 Authorization for Release of Department Reports. The Grantee hereby authorizes the Department to disclose and/or transmit to the Office upon the Office's request any information, data, or reports filed by the Grantee with the Department. Reports submitted by the Grantee to the Department include but are not limited to

the Special Education Plan (Report No. PI-3200), the Third Friday in September Pupil Count Report (Report No. PI-1567-A), the School Performance Report, the Fall Staff Report (Report No. PI-1202), the Fall Enrollment Report (Report No. PI-1290), the Federal Collection: Special Education Child Count (Report No. PI-2197-A), the Second Friday January Pupil Count Report (Report No. PI-1567-B), the Course Offerings (Report No. PI-1215), the End of the Year AODA/Tobacco Report, and the ESEA Consolidated Application: Title I, Title II, Title III, Title IV, Title V Federal Funds.

ARTICLE FIVE

JOINT RESPONSIBILITIES OF THE PARTIES

The Parties agree to take the following actions:

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

- (1) The Chancellor reserves the right to review and approve beforehand any Operation or Management Contract for operation or management of the Charter School that the Grantee wishes to itself enter into with any third party not treated by the Grantee as an employee of the Grantee; provided, however, that such approval shall not be unreasonably withheld, conditioned, or delayed. An “Operation or Management Contract” is a contract (i) that relates to the creation, implementation, or operation of the academic program, instruction, supervision, administration, or business services at the Charter School and (ii) that contemplates an aggregate liability of more than \$50,000 per fiscal year.
- (2) The Grantee shall submit to the Office a copy of any proposed Operation or Management Contract and shall not enter into any such contract until the Chancellor or the Chancellor’s designee shall have approved (or be deemed to have approved) the same. The Chancellor or the Chancellor’s designee shall have 30 Days after receiving the proposed Operation or Management Contract to review the document and to deliver to the Grantee a written statement approving or rejecting such contract. If the Chancellor or the Chancellor’s designee does not within such 30 Days object in writing to the proposed contract, the contract shall be deemed approved. If the Chancellor or the Chancellor’s designee rejects the proposed contract, however, the Chancellor or the Chancellor’s designee shall also within the 30 Day review period hereunder advise the Grantee in writing of its specific objections to the proposed contract. The Grantee may thereafter modify (and remodify) the proposed contract and continue submitting the modified contract for the approval of the Chancellor or the Chancellor’s designee, which approval shall not be unreasonably withheld, conditioned, or delayed.
- (3) Every Operation or Management Contract shall: (i) be written and executed by both the Grantee and the third party; (ii) contain the third party’s covenant to submit to the Office any documentation material to the Office’s efforts to assist the Chancellor in carrying out its oversight responsibilities; and (iii) provide that

the third party shall, subject to Applicable Law, grant the Chancellor or the Chancellor's designee and the Grantee the right to inspect and copy at cost any and all records and documents directly related to the terms and conditions of this Contract, including pupil records. In addition, every Operation or Management Contract with a third-party provider of educational management services shall specify the nature and methods of compensation for such third-party provider of educational management services, and shall specify the methods and standards the Grantee shall use to evaluate the performance of the third party.

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

Section 5.3 Performance Evaluation.

- (1) The University shall evaluate the performance of the Charter School in the areas of leadership, strategic planning, student, stakeholder, and market focus, information and analysis, process management, and organizational performance results as set forth in the Educational Criteria for Performance Excellence of the Baldrige National Quality Program. A description of the specific measures that shall be used to evaluate such areas shall be provided to the Grantee annually, no later than 60 days prior to the start of each academic year.
- (2) The Grantee shall provide to the University the following required reports, at the times described below:
 - (a) Strategic Plan. The Grantee must provide a strategic plan to the University by August 1, 2007. The strategic plan should specify the mission and vision of the school, identify the target population of students, and establish strategic goals for the development of the school. The Grantee shall resubmit the strategic plan to the Office upon each revision. In addition, a revised strategic plan must be submitted to the Office by August 1 immediately following any renewal of the term of this Contract.
 - (b) School and Organization Profile. No later than August 1 of each school year, the Grantee shall submit to the Office a school profile which provides general information about the school and its operations.
 - (c) Annual School Accountability Plan. No later than August 1 of each school year, the Grantee shall submit to the Office for approval a school accountability plan which sets forth, in measurable terms, goals for school improvement in the following school year. If the Charter School has not made Adequate Yearly Progress ("AYP") under the NCLB, as determined

by the State of Wisconsin, this plan shall include a detailed description of the Grantee's plans to implement any of the responsive and/or corrective requirements of the NCLB in the following school year.

- (d) Annual School Accountability Progress Report. No later than July 1 of each school year, the Grantee shall submit a school performance report to the Office which states how the school has made progress on the goals identified in the school accountability plan established the prior year. This report shall include a description of how the Charter School is or is not meeting the State of Wisconsin's definition of AYP under the NCLB and, if the Charter School has not made AYP in the past, a detailed description of the Charter School's compliance with the responsive and/or corrective requirements of the NCLB in the prior year.

ARTICLE SIX

NOTICES, REPORTS AND INSPECTIONS

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

Section 6.2 Other Notices.

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

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

Section 6.4 [Omitted.]

ARTICLE SEVEN

MISCELLANEOUS PROVISIONS

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

Section 7.2 Code of Ethics. A member of the School Board and any of the officers of the Grantee directly involved in the implementation of the terms and conditions of this Contract (together “the board members”) shall be subject to the following code of ethics:

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

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

- (1) No board member may, in a manner contrary to the interests of the Charter School, use or attempt to use his or her position or Charter School property, including property leased by the Charter School, to gain or attempt to gain anything of substantial value for the private benefit of the board member, his or her immediate family, or any organization with which the board member is associated.
- (2) No board member may solicit or accept from any person or organization anything of value pursuant to an express or implied understanding that his or her conduct of Charter School business would be influenced thereby.
- (3) No board member may intentionally use or disclose confidential information concerning the Charter School in any way that could result in the receipt of anything of value for himself or herself, for his or her immediate family, or for any other person or organization with which the board member is associated.
- (4) (a) If a board member, a member of a board member’s immediate family, or any organization with which a board member is associated proposes to enter into any contract (including a contract of employment) or lease with the Grantee that may within any 12-month period involve payments of \$3,000 or more derived in whole or in part from payments made pursuant

to Wis. Stat. § 118.40(2r)(e), such board member shall be excused from, and shall not participate in, any dealing, discussion, or other position of approval or influence with respect to the Grantee's entering into such contract or lease; provided, however, that such board member may be part of a discussion concerning such proposed contract or lease for the limited purpose of responding to board inquiries concerning such contract or lease.

- (b) Provided that the board member is not in a position to approve or influence the Grantee's decision to enter into such contract or lease and that the procedures set forth in Section 7.2 are observed, a board member may enter into a contract or lease described in Section 7.2(4)(a) if the board member shall have made written disclosure of the nature and extent of any relationship described in Section 7.2(4)(a) to the Office prior to entering into such contract or lease.

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

Section 7.4 Copies of Certain Documents. The Grantee shall provide to the Office at least 90 days before the start of a school year (1) copies of its lease or deed for the premises in which the Charter School shall operate and (2) copies of certificates of occupancy and safety which are required by law for the operation of a public school in the State of Wisconsin. The Office acknowledges the Grantee's compliance with all previously imposed requirements relative to initial school opening.

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

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

- (1) Submission of annual report to the School Board.
- (2) Approval of the annual budget of Charter School by the School Board.
- (3) All school admission lotteries.
- (4) Approval of the annual audit of Charter School by the School Board.

- (5) Annual open house.

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

ARTICLE EIGHT

PROVISIONS FACILITATING UNIVERSITY RESEARCH

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

- (1) Surveys. The University may survey individuals and groups (including but not limited to, parents, students, teachers, board members, others involved in the governance of the Charter School, and the public) concerning the performance of the Charter School, provided that such surveying (i) shall be done at the University's sole expense and (ii) shall not materially interfere with the orderly and efficient operation of the Charter School. The Grantee agrees to cooperate with the University's efforts to conduct such surveys. Employment contracts with teachers employed at the Charter School shall specify that they shall cooperate with such surveys.
- (2) Pupil Testing. The University may seek to administer to each pupil of the Charter School (other than kindergarten pupils), in connection with the pupil's first enrolling in the Charter School, a one-time examination designated by the University. Such examination shall be administered at the University's sole expense and shall not materially interfere with the orderly and efficient operation of the Charter School. The results of any such examination shall be promptly shared with the Grantee.
- (3) Parent/Guardian Evaluation Participation. The University may ask the parent and/or legal guardian of a pupil enrolled in the Charter School to participate in an evaluation or research, which may include their participation in an interview or responding to a questionnaire, about the performance of the Charter School. The Grantee shall use its good offices to urge that the parent and/or legal guardian to participate in such evaluation or research process, subject to their consent.
- (4) Research Observers. The Grantee agrees to accept on the Charter School's premises research observers designated by the University to serve as observers of the activities of the Charter School, provided that the activities of such research observers shall not interfere with the orderly and efficient conduct of education and business at the Charter School. Costs and expenses incurred for the

evaluation activities of such observers shall be reimbursed to the University as part of the reimbursement owing under Section 4.6 of this Contract.

ARTICLE NINE

REVOCATION OF CONTRACT BY THE UNIVERSITY

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

- (1) The pupils enrolled in the Charter School have failed to make sufficient progress toward attaining the educational goals under Wis. Stat. § 118.01, or have failed to achieve AYP, as determined by the State of Wisconsin, pursuant to the federal NCLB, for 3 consecutive years;
- (2) The Grantee has failed to comply with generally accepted accounting standards of fiscal management with respect to the Charter School;
- (3) The Grantee is insolvent or has been adjudged bankrupt;
- (4) The Grantee's directors, officers, employees, or agents provided the University false or intentionally misleading information or documentation in the performance of this Contract;
- (5) The Charter School has failed materially to comply with Applicable Law;
- (6) The Charter School has violated Wis. Stat. § 118.40 *et seq.*; or
- (7) The Grantee defaults materially in any of the terms, conditions, promises or representations contained in or incorporated into this Contract.

Section 9.2 Procedures for the University's Revocation.

- (1) Emergency Termination or Suspension Pending Investigation. If the Chancellor determines that any of the Events of Default set forth in Section 9.1 has occurred and that thereby the health or safety of the Charter School's students is immediately put at risk, the University shall provide the Grantee written notice of such Event(s) of Default and, upon delivering such notice, may either (i) terminate this Contract immediately or (ii) exercise superintending control of the Charter School pending investigation of the pertinent charge.
 - (a) If the University shall elect to exercise superintending control pending investigation of the pertinent charge, the University shall give the Grantee written notice of the investigation, shall commence such investigation immediately, shall permit the Grantee fairly to address the pertinent

charge, and shall thereafter complete its investigation as quickly as reasonably practicable.

- (b) Upon completing its investigation, the University shall promptly deliver to the Grantee in writing either (i) a notice of immediate termination on the bases set forth in this Section 9.2, (ii) a notice of an Event of Default and an opportunity to cure pursuant to Section 9.2(2), or (iii) a notice rejecting the pertinent charge and reinstating control of the Charter School to the Grantee.

- (2) Non-Emergency Revocation and Opportunity to Cure. If the Chancellor determines that any of the Events of Default has occurred but that such occurrence does not thereby immediately put at risk the health or safety of the Charter School's students, the University shall advise the Grantee in writing of the pertinent occurrence and shall specify for the Grantee a reasonable period of time (though in no instance less than 30 days) within which the Grantee shall cure or otherwise remedy the specified Event(s) of Default to the reasonable satisfaction of the Chancellor.

- (a) If the Grantee shall not so cure or otherwise remedy the specified Event(s) of Default, the University may terminate this Contract by written notice delivered within 10 days after expiration of the specified period.
- (b) If the University shall so terminate this Contract, termination shall become effective at the end of the next academic semester scheduled for the Charter School.

Section 9.3 General Termination or Nonrenewal Procedures.

- (1) Final Accounting. Upon termination or nonrenewal of this Contract, the Grantee shall assist the Chancellor in conducting a final accounting of the Charter School by making available to the Chancellor all books and records that have been reviewed in preparing the Grantee's annual audits and statements under Section 3.1(11) of this Contract. The Grantee shall also submit a final audited financial statement of the Charter School's operation, including auditor's management letters and any exceptions noted by the auditors, which must be received by the Office within 120 days after the end of the Grantee's final school year.
- (2) Records Retention. Upon termination or nonrenewal of this Contract, the Grantee shall designate a records custodian who will be responsible for maintaining its records in accordance with the law and this Contract. Following the expiration of any statutory retention period and the contractual retention requirements as described below, whichever is longer, the records custodian will arrange for the destruction of records in a manner that ensures their confidentiality.
 - (a) Administrative and Personnel Records. Upon termination or nonrenewal of this Contract, the records custodian will maintain a copy of the School's

administrative records, including personnel records, and will provide copies of such records to third parties as required by law or otherwise appropriately requested for a period of not less than six (6) years.

- (b) Student Records. Upon termination or nonrenewal of this Contract, the Grantee shall provide the Office and the Department with a list of pupil names and their contact information, along with the name of the school to which each pupil is transferring, if known. The records custodian shall transfer a copy of the pupil records, as defined in Wis. Stat. § 118.125, to the school to which each pupil is transferring. The records custodian shall also maintain a copy of pupil records in accordance with Wis. Stat. § 118.125(3).
- (3) Financial Obligations/Asset Distribution. Upon notification of termination or nonrenewal of this Contract and dissolution of the Charter School, the Grantee shall designate an independent trustee who will be responsible for satisfying all outstanding financial liabilities of the Charter School and properly distributing the School's assets in compliance with the law and this Contract. The trustee shall implement a procedure for limiting all expenditures to those that are reasonable and necessary for the ongoing day-to-day operations of the Charter School, such as preauthorized payroll expenses, utilities, rent and insurance. The trustee shall return any unspent federal or state grant money to the Department. The trustee shall provide the Office and the Department with an inventory of any property or equipment purchased, in whole or in part, with state or federal funds. Following any disposition required by state or federal law, and following the satisfaction of the creditors, the trustee shall distribute any remaining property and equipment purchased with state or federal funds to other University-chartered Charter Schools.

ARTICLE TEN

TERMINATION BY THE GRANTEE

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

- (1) The Charter School has insufficient enrollment to successfully operate;
- (2) The Grantee's Operation or Management Contract with a third-party provider of educational management services has been terminated;
- (3) The Charter School has lost its right to occupy all or a substantial part of its physical plant and cannot occupy another suitable facility, at a cost deemed reasonable by the Grantee, before the expiration or termination of its right to occupy its existing physical plant;

- (4) The Grantee has not timely received any one of the payments contemplated under Wis. Stat. § 118.40(2r)(e);
- (5) The Grantee has become insolvent or been adjudged bankrupt; or
- (6) The University defaults materially in any of the terms, conditions, promises or representations contained in or incorporated into this Contract.

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

- (1) Notice. If the Grantee determines that any of the Events of Termination set forth in Section 10.1 has occurred, the Grantee shall notify the Chancellor of the pertinent Event(s) of Termination. The notice shall be in writing, shall set forth in sufficient detail the grounds for termination, and shall specify the proposed effective date of termination (which date shall, to the extent reasonably practicable, be the end of the next academic semester scheduled for the Charter School).
- (2) Discretionary Termination.
 - (a) As to the Event(s) of Termination set forth in Sections 10.1(1)-(2) and (6), the Chancellor may conduct a preliminary review of the alleged bases for termination to ensure that such bases are bona fide. Such review shall be completed promptly and, within 30 days after the Chancellor receives the Grantee's notice, the Chancellor shall deliver to the Grantee a notice (i) approving the Grantee's requested termination or (ii) denying the same on the grounds that the asserted bases for termination are not in fact bona fide.
 - (b) If such results of the review and the Chancellor's determination are not delivered to the Grantee in writing within 30 days after the Chancellor receives the Grantee's notice, the Grantee's notice shall be deemed an approved basis for termination.
- (3) Automatic Termination. As to the Event(s) of Termination set forth in Sections 10.1(3)-(5), termination shall be effective on the date set forth in the Grantee's notice under Section 10.2(l).

Section 10.3. [Omitted.]

Section 10.4. General Termination and Nonrenewal Procedures. The requirements set forth in Section 9.3 above shall be applicable to a termination of contract under this Article Ten.

ARTICLE ELEVEN

TECHNICAL PROVISIONS

- Section 11.1 Term of Contract. The term of this Contract shall commence on July 1, 2007 and continue for a period of five years, ending on June 30, 2012. During the third full academic year of this Contract the University shall conduct a review of the Charter School's performance to date. The University shall specify in writing for the Grantee the subjects of the review at least 3 months prior to the beginning of the third full school year of the operation of the Charter School. The University shall complete the review and shall issue a written report by the end of the third full school year of the Contract. Results of the review shall serve as the basis for the University to determine whether it will negotiate another Contract with the Grantee.
- Section 11.2 Non-agency. It is understood that neither the Grantee nor the Charter School is an agent of the University.
- Section 11.3 Appendices. The following documents, appended hereto, are made a part of this Contract and the Grantee and the Charter School agree to abide by all the terms and conditions included herein:
- Appendix A: Part 4.D of the UW System Risk Management Manual, Vendor Certificates of Interest
Appendix B: Statement of Anticipated Performance Measures and Required Reports
Appendix C: Disciplinary Procedure
- Section 11.4 Applications of Statutes. If, after the effective date of this Contract, there is a change in Applicable Law which alters or amends the responsibilities or obligations of any of the Parties with respect to this Contract, this Contract shall be altered or amended to conform to the change in existing law as of the effective date of such change.
- Section 11.5 Hold Harmless and Indemnification. To the extent allowed by law, the Grantee shall hold harmless and indemnify the University against any and all liability, claims, demands, and causes of action (including reasonable attorneys fees) which arise out of, occur in connection with or are in any way incident to the Grantee, its contractors, subcontractors or agents' performance of obligations under this Contract.
- Section 11.6 Amendments. This Contract may be amended only upon the written agreement of the Parties.
- Section 11.7 Severability. If any provision of this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the

provision or the remaining provisions of this Contract. If any provision of this Contract shall be or become in violation of any federal, state, or local law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 11.8 Successors and Assigns. The terms and provisions of this Contract are binding on and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 11.9 Entire Agreement. This Contract sets forth the entire agreement among the Parties with respect to the subject matter of this Contract. All prior application materials, agreements or contracts, representations, statements, negotiations, understandings, and undertakings are superseded by this Contract.

Section 11.10 Assignment. This Contract is not assignable by either Party without the prior written consent of the other Party.

Section 11.11 Non-waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. No consent by any Party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.

Section 11.12 Force Majeure. If any circumstances occur which are beyond the control of a Party, which delay or render impossible the obligations of such Party, the Party's obligation to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

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

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

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

To Grantee: Milwaukee College Preparatory School
ATTN: Robert Rauh

2449 N. 36th Street
Milwaukee, WI 53210

with a copy to: Godfrey and Kahn, S.C.
ATTN: Stephen Chernof
780 N. Water Street Suite 1500
Milwaukee, WI 53202

To Office: Director
UWM Office of Charter Schools
Enderis Hall 582
P.O. Box 413
Milwaukee, WI 53201

with a copy to: Director
UWM Office of Legal Affairs
Chapman Hall 380
P.O. Box 413
Milwaukee, WI 53201

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

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

FOR GRANTEE:

M.C. PREPARATORY SCHOOL OF
WISCONSIN, INC.

FOR THE UNIVERSITY:

By: _____
Name

President _____
Title

Date

Name

Chancellor _____
Title

Date

APPENDIX A

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



PART 4 Miscellaneous Liability Issues

Subject: Vendor Certificates of Insurance

1. Purpose:

When an institution contracts with a vendor for materials, equipment, supplies, or services, that vendor's activities and the goods provided create an inherent liability risk to the institution. The goal of this program is to protect the institution from loss or exposure to loss resulting from any negligence on the part of an under/uninsured vendor who furnishes services to the institution. By obtaining an appropriate certificate of insurance and maintaining a current certificate of insurance on file, for a high risk procurement, the institution has evidence that insurance has been obtained which transfers risks associated with the business relationship with the vendor from the institution to the insurer.

This document reinforces and adds to policy as established under State Procurement PRO-D-34. Due to the uniqueness of some services provided to the UW System, System Risk Management has added six additional high risk services to the ones listed in PRO-D-34. These high risk service vendors are **required** to meet the certificate requirements as specified in PRO-D-34 and in this document for the additional service vendors.

2. Definitions:

Certificate of Insurance: A document issued by an insurer which evidences that an insurance policy exists and provides information such as insurer, insurance agency, insured, types of insurance, policy numbers, effective dates, limits, certificate holder, cancellation procedure, special Provisions, e.g., additional insured, and the name of the representative authorizing the policy.

High Risk Services Procurement: Means a contract or procurement that significantly increases the possibility of loss or exposure to loss to the University System from a third party.

Additional Insured: Affords the Board of Regents coverage under the vendor's policy including defense should the Board be sued based on the actions of the vendor.

Minimum Limits: Minimum specified limits must be received unless prior approval is received by the Purchasing Director. These limits may be reached by combining a commercial general liability policy limit with an umbrella policy limit. For example, a vendor may have a general/automobile liability policy with a \$500,000 limit and a \$1,000,000 umbrella. This total meets a \$1,000,000 general/automobile/umbrella requirement.

3. Vendors Insurance Program:

The Standard Limits are the minimum acceptable for any vendor, but there are specific requirements for vendors of high risk services that supersede the Standard Limits. Please refer to PRO-D-34 and this document before specifying vendor coverage requirements. If commodity purchase requires installation of heavy equipment, contact Risk Management.

The following are criteria and a list of high risk services.

CRITERIA OF HIGH RISK SERVICES:

- Service presents a severe risk of injury or death to students, faculty, staff, and visitors.
- Service presents a severe risk of extensive property damage to institutionally or privately owned property.
- Service has a history of negligently causing injury or damage to property.
- Likelihood is great the service provider will have difficulty procuring and maintaining insurance because of the hazards of the work.

HIGH RISK SERVICES:

Air Charter

Ambulance Service

Asbestos Abatement Contractors

Building Remodeling and Construction

Custodial Services*

Day Care*

Elevator Maintenance

Manual Food Service*

Medical Services

Recreational Services/High Risk Entertainment-Speakers*

Refuse Transportation and Disposal

Security*

Transportation Services (of people)

Travel Services* (tours, agencies)

*** Denotes High Risk Service Vendors requirement unique to the UW System.**

HIGH RISK services, other than the above, are to be evaluated on a case-by-case basis.

The following pages delineate the requirements for each class of vendor and provide a list of vendor types for each class. Judgment must be used by the contract manager when dealing with vendors that are not specified on these pages.

Attention must be paid to the various outside contractors who service the institutions with respect to their insurance protection. Failure to monitor this exposure by the contract manager may result in substantial losses for the institution.

Certificates are required for all service vendors, however, high risk service vendors require receipt of the certificate and continued renewal of the certificate while the contract exists. Internal audit will periodically sample the service contracts to ensure compliance.

4. Cancellation:

If a certificate of insurance is not received prior to issuance of the Purchase Order or is incomplete, notice should be given to the vendor indicating the certificate must be received by the contract administrator, via certified mail within 15 days or the contract will be canceled. See sample letter shown in Appendix 1. Receipt of one certificate from the vendor is all that is necessary for that one year, if the institution has multiple contracts with the vendor. However, the vendor must send a renewal each year or cancellation should take place. Appendix 2 is a sample letter for noncompliance after the 15 day period.

5. Procedures:

Specific procedures for the evaluation of vendor certificates of insurance exist at each institution and at the System level. System Risk Management considers the Additional Insured Provision an important condition to be stated on the certificate, especially with regards to our high risk service vendors. The following requirements may be used by the institutions as minimal guidelines and additional guidance may be obtained from System Risk Management as necessary.

Categories for high risk services require a certificate of insurance be in the contract administrator's possession before the purchase order is issued.

Standard Limits (Non High Risk Service Vendors)

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	Statutory Limits
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$1,000,000
Each Occurrence	\$1,000,000
C. Automobile Liability Combined Single Limit	\$1,000,000
D. Additional Insured Provision:	
The contractor shall add the "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general liability policy.	

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Limits For High Risk Service Vendors

Air Charter

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO Each Occurrence	\$1,000,000 \$1,000,000
C. Aircraft Liability	
Piston	\$5,000,000
Jet	\$25,000,000
D. Additional Insured Provision:	
The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general and aircraft liability policy.	

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Ambulance Service

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO Each Occurrence	\$1,000,000 \$1,000,000
C. Automobile Liability Combined Single Limit	\$2,000,000
D. Professional Liability Insurance	\$2,000,000
E. Additional Insured Provision:	
The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general, automobile, and professional liability policies.	

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Asbestos Abatement

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO Each Occurrence	\$1,000,000 \$1,000,000
C. Automobile Liability Combined Single Limit	\$1,000,000
D. Contractor's Pollution Liability Insurance (With one year extended reporting period.)	
Each Occurrence	\$1,000,000
Aggregate	\$2,000,000
E. Additional Insured Provision:	
The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general and contractor's pollution liability	

policies.

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Building Remodeling and Construction

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$1,000,000
Each Occurrence	\$1,000,000
C. Automobile Liability Combined Single Limit	\$1,000,000
D. <i>If hazardous substance is involved:</i>	
Contractor's Pollution Liability	
(With one year extended reporting period.)	
Each Occurrence	\$1,000,000
Aggregate	\$2,000,000
E. Additional Insured Provision:	
The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general, automobile and contractor's pollution liability policies.	

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Custodial Services

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$1,000,000
Each Occurrence	\$1,000,000
C. Automobile Liability Combined Single Limit	\$1,000,000
D. Additional Insured Provision:	
The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general liability policy.	

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Day Care

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$1,000,000
Each Occurrence	\$1,000,000
C. Automobile Liability Combined Single Limit	\$1,000,000
D. Additional Insured Provision:	
The contractor shall add the, "Board of Regents of the University of	

Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general liability policy.

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Elevator Maintenance - *This applies to all passenger and freight elevators.*

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$1,000,000
Each Occurrence	\$1,000,000
C. Automobile Liability Combined Single Limit	\$1,000,000
D. Additional Insured Provision:	

The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general liability policy.

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Manual Food Service - *All contracts*

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$1,000,000
Each Occurrence	\$1,000,000
Fire Legal	\$100,000
C. Liquor Liability (When applicable)	\$1,000,000
D. Automobile Liability Combined Single Limit	\$1,000,000
E. Additional Insured Provision:	

The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general liability policy.

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Medical Services *(including optical and laboratory) - This applies to all contracted medical services including, but not limited to, assisted physician services, laboratory equipment maintenance and patient testing.*

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$1,000,000
Each Occurrence	\$1,000,000
C. Automobile Liability Combined Single Limit	\$1,000,000
D. Professional Liability Insurance (malpractice)	\$2,000,000
E. Additional Insured Provision:	

The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general, automobile and professional

liability policies.

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Recreational Services/High Risk Entertainment-Speakers - *This applies to a broad range of contracted services including, but not limited to, golf course management, carnival activities, pyrotechnical displays, audience participation activities, third parties hosting camps and clinics at our institutions, controversial speakers, and the like.*

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$2,000,000
Each Occurrence	\$1,000,000
C. Automobile Liability Combined Single Limit	\$1,000,000
D. Umbrella Liability	\$1,000,000
E. Additional Insured Provision:	
The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general liability policy.	

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Refuse Transportation and Disposal

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$1,000,000
Each Occurrence	\$1,000,000
C. Automobile Liability Combined Single Limit	\$1,000,000
D. Contractor's Pollution Liability (with 1 year extended reporting period)	
Each Occurrence	\$1,000,000
Aggregate	\$2,000,000
E. Additional Insured Provision:	
The vendor shall add the, "The State of Wisconsin, its officers, employees, and agents" as an additional insured under the commercial general and contractor's pollution liability policies.	

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Security

<u>Coverage Type</u>	<u>Minimum Limit</u>
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A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$1,000,000
Each Occurrence	\$1,000,000
C. Automobile Liability Combined Single Limit	\$1,000,000
D. Professional Liability Insurance	\$1,000,000
E. Additional Insured Provision:	
The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general liability policy.	

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Transportation - *This applies primarily to the transport of people. If air transport see Air Charter.*

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$1,000,000
Each Occurrence	\$1,000,000
C. Automobile Liability Combined Single Limit	
Wisconsin Combined Single Limit	\$2,000,000
Interstate Combined Single Limit	\$5,000,000
D. Additional Insured Provision:	
The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general and automobile liability policies.	

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

Travel Services: *Tour Operators and Agencies - This applies to any organization that makes travel arrangements, including travel services, tour operators, etc., on our behalf.*

<u>Coverage Type</u>	<u>Minimum Limit</u>
A. Worker's Compensation	REQ'D NO EXCEPTIONS
B. Commercial General Liability Gen. Aggr. Incl. Prdts/CO	\$1,000,000
Each Occurrence	\$1,000,000
C. Automobile Liability Combined Single Limit	\$2,000,000
D. Professional Liability Insurance	**
(** not required but may be a consideration if bids are comparable and a bidder has the coverage.)	
E. Additional Insured Provision:	
The contractor shall add the, "Board of Regents of the University of Wisconsin System, its officers, employees, and agents" as an additional insured under the commercial general liability policy.	

In addition to these coverages the contract must contain **all** of the clauses listed under the Special Terms and Conditions for the UW System.

6. Special Terms and Conditions

* On notification of award and prior to issuance of a contract, the contractor (vendor) shall provide the University a Certificate of Insurance with the required coverage and limits of insurance issued by an insurance company that has an AM Best Rating of A-, is licensed to do business in the State of Wisconsin, and signed by an authorized agent.

* All policies of insurance shall contain a covenant requiring sixty (60) days written notice by the insurer and sent certified mail to the contract administrator at the specific institution, before cancellation, reduction or other modifications of coverage. The insurance certificate shall be for the initial contract period of one (1) year and shall be renewed by the contractor for each subsequent renewal period of the contract.

* In the event of non-renewal, cancellation, or expiration, the contractor shall provide the University evidence of the new source(s) of required insurance within twenty-one (21) calendar days after the University's receipt of the sixty (60) day notice. Failure to maintain the required insurance in force may be cause for contract termination.

* In the event that the contractor fails to maintain and keep in force the insurance herein required, the University shall have the right to cancel and terminate the contract without notice.

* The contractor agrees to indemnify, defend and hold harmless the Board of Regents of the University of Wisconsin System, its officers, employees and agents from and against any and all claims, losses, liability, costs or expenses (hereinafter collectively referred to as "claims") occurring in connection with or in any way incidental to or arising out of the occupancy, use, service, operations or performance of work in connection with this contract, but only to the extent that such claims are caused by or result from the negligence, misconduct or other fault of the contractor, its agents, employees, subcontractors or contractors.

APPENDIX B

Statement of Anticipated Performance Measures and Required Reports

Date	Required Item
07/01	Annual School Accountability Progress Report
07/01	Annual School Calendar
07/01	Initial Building Title/Lease <i>(Provide again if changes are made)</i>
07/01	Insurance Coverage Summary/Certificate Coverage Period:
07/01	Internal Revenue Code 501(c)(3) <i>(Provide again if changes are made)</i> , and Non-Stock Corporation Organization Bylaws <i>(Provide again if changes are made)</i>
07/01	Vendor Subcontracts over \$5,000 <i>(Provide again if changes are made)</i>
07/01	PI-3200 Special Education Plan: Part I – Assurances, Part II – Narrative Part III – Certification & Entitlement
07/01	PI-9550 ESEA Consolidated <u>Application</u> : Title I, Title II, Title III, Title IV, Title V Federal Funds
08/01	Strategic Plan Initial: <i>(Provide updates whenever plan is modified)</i>
08/01	Annual School Accountability Plan
09/30	Annual Financial Audit
10/01	Staff Background Check Letter
10/01	PI-1567-A, Third Friday in September Enrollment Report and Enrollment by Grade Showing Number of Students and FTE, Enrollment ____, FTE ____
10/31	School Performance Report
11/11	First Quarter Administrative Fee Payment
12/16	PI-1202 Fall Staff Report – Note: Due date changed as DPI completion dates are 11/11 – 12/15
12/31	Second Quarter Administrative Fee Payment
12/31	PI-2197-A Federal Collection: Special Education Child Count
02/01	PI-1567-B Second Friday January Pupil Count Report
03/31	PI-1215 Course Offerings (High Schools Only)
04/01	Next School Year Calendar
04/15	Third Quarter Administrative Fee Payment
04/15	WKCE Test Results: Data, ID Code and ID Code Verification
06/01	Projected Budget for Coming Year
06/01	Initial Building Occupancy <i>(Provide update if modified)</i>
06/15	Fourth Quarter Administrative Fee Payment

06/30 Current Board Membership Listing; Board Minutes *within 45 days of publishing*

APPENDIX C

Disciplinary Procedure

Milwaukee College Prep has earned a reputation for holding high expectations for its students both academically and socially. It is expected that all students will live up to those standards. The discipline system is based on a Proactivity Chart that teaches each child that he or she is responsible for the choices that he or she makes. In other words, they are always proactive, not reactive.

Students are taught several skills to use when making decisions. These are based on strategies developed by Edward de Bono, an author and lecturer on the teaching of critical thinking skills. The strategies are:

- a. CAF – Consider All Factors before making a decision.
- b. OPV – consider Other People's Views before making a decision.
- c. FIP – make sure that your focus is on your First Important Priority when making a decision.
- d. APC – realize that there are always numerous Alternatives, Possibilities and Choices when solving a problem. There is never just one solution to a problem.
- e. C&C – remember that for every Choice there is a Consequence. Good choices most often result in good consequences; bad choices most often result in bad consequences.
- f. C&S – remember also there is a long-term effect, Choices and Sequel, for the choices that one makes. For example, one can build a positive reputation by consistently making good choices, and vice versa.
- g. AGO – always begin with the end in mind, or focus on the big picture. Students begin the year by writing a Mission Statement, where they focus on their lifetime Aims, Goals and Objectives.

The teachers are responsible for dealing with discipline matters in all but the most extreme issues, when the School's administration will assist.

If a student consistently chooses to make inappropriate choices, consequences will follow so that the learning of others in the classroom is not too greatly interrupted. The consequences are:

- | | |
|---------------------|--|
| 1st offense of day: | making a "deposit" (A deposit is made when a child is "overdrawn" on their "good choice" account. It allows the child to reflect on the poor choice that was made and what better choice could be made in the future.) |
| 2nd offense of day: | making a "deposit", this time accompanied by a phone call home from the teacher. |
| 3rd offense of day: | mandatory conference with teacher, parent and student before student is allowed back in class. |

If a student receives three deposits in one day for a second time in a quarter, the parent must spend at least three hours in class with the child when readmitting him/her back in to school.

If a student receives three deposits in one day for a third time in a quarter, the child will be suspended for at least one day before being readmitted. A mandatory conference with the teacher, school administrator, parent and student is also necessary before the student is allowed back in class.

If a student receives three deposits in one day for a fourth time in a quarter, the child will be suspended for at least one day before being readmitted and will be placed on probationary status. A contract must be signed by the teacher, parent and student outlining steps that will be taken to improve that individual child's performance in school before the student is allowed back in class. If terms of the probationary contract are fulfilled, a recommendation for expulsion may be filed.

Any instances of serious discipline infractions will result in immediate suspension or possible expulsion. An immediate suspension or expulsion may occur for the following conduct:

- Conduct by the student while at school or under the supervision of a school authority that endangers the property health or safety of others, including, but not limited to: arson or attempted arson; assault and/or battery of another student; possession, distribution, manufacturing and/or sale of drugs and/or drug paraphernalia; threatening to harm the health or safety of a person or making a threat to damage property; possession, use, or sale of a firearm, as defined in 18 USC 921(a)(3), or dangerous weapon; possession, use, distribution, sale, lighting, or discharge of explosive devices; unlawful assembly and/or riot;
- Conduct while not at school or while not under the supervision of a school authority that endangers the property, health or safety of others at school or under the supervision of a school authority;
- Conduct that endangers the property, health or safety of any employee or member of the Board of Directors of the school;
- Knowingly conveying any threat or false information concerning an attempt or alleged attempt being made or to be made to destroy any school property by means of explosives;
- Repeated refusal to obey the rules of the school;
- Fighting;
- Abusive language directed toward a teacher or another student;
- Student actions that disrupt the class to the extent that the teacher's authority is being challenged or the teacher is unable to teach effectively;
- Student actions which indicate the use of drugs, alcoholic beverages, or other behavior altering substances;

- Student actions that present a danger to the safety and well-being of themselves or others;
- Other criminal acts in violation of local, state, or federal laws.

Notice of Suspension/Expulsion

a. Notification of Suspension.

Prior to any suspension, the student shall be advised of the reason for the proposed suspension.

A letter from the Principal or his or her designee will be sent to the student's parent(s)/guardian when the student is assigned in-school suspension or out of school suspension, or is recommended for expulsion.

b. Notice of In-School Suspension.

The suspension notice for in-school suspension shall include at least the following information:

- Reason(s) for the suspension and date(s) of suspension are to be clearly stated;
- A parent is expected to participate in a conference with the Principal or his or her designee in order for the student to be readmitted to the regular classroom;
- The student will not be allowed to participate in classroom and school activities during the suspension period; and
- Appeal procedures shall be clearly stated in detail.

c. Notice of Out-of-School Suspension,

The suspension notice for out-of-school suspension (fewer than five days) shall include at least the following information:

- Reason(s) for the suspension and the date(s) of suspension are to be clearly stated;
- A parent must come to school for a conference with the Principal or his or her designee in order for the student to be readmitted to school;
- The student will not be allowed to participate in classroom and school activities during the suspension period;
- The student is not to go on school property;
- Appeal procedures shall be clearly stated in detail.

d. Notice of Suspension Pending Expulsion Recommendation.

The notice for a suspension for conduct that may lead to an expulsion recommendation shall include at least the following information:

First Notice

- The reason(s) for a suspension are to be clearly stated;
- A parent should be told that an investigation is being conducted by the administrators and what the most severe recommendation might be;
- A date and time for a conference is given when a parent, accompanied by the student, must come to school for a conference with the Principal or his or her designee to present and hear information;
- The student will not be allowed to participate in classroom and school activities during the suspension; and
- The student is not permitted on school property.

Following the conference, the Principal or his or her designee will make a decision regarding whether to move forward with a recommendation to the Appeal Board (consisting of four staff members and two parents) for expulsion and inform the parent(s) and student. If the Principal or his or her designee moves forward with the recommendation, the Principal or his or her designee will provide written notice of the recommendation to the parent/guardian and separately to the student at least five (5) calendar days prior to the date of the hearing. The notice to the parent(s) and student must include the following information:

e. Notice of Expulsion Recommendation.

- The specific grounds and the particulars of the student's alleged conduct upon which the expulsion proceeding is based;
- The time and place of the hearing;
- That the hearing may result in the student's expulsion;
- That, upon the request of the student, and if the student is a minor, the student's parent or guardian, the hearing shall be closed;
- That the student and, if the student is a minor, the student's parent or guardian, may be represented at the hearing by counsel;
- That the Appeal Board shall keep written minutes of the hearing;
- That if the Appeal Board orders the expulsion of the student, the board secretary shall mail a copy of the order to the student and, if the student is a minor, to the student's parent or guardian;
- That if the student is expelled by the Appeal Board, the expelled student or, if the student is a minor, the student's parent or guardian may appeal the board's decision to the School Board;
- That if the Appeal Board's decision is appealed to the School Board, within sixty (60) days after the date on which the School Board receives the appeal, the full School Board shall review the decision and shall, upon review, approve, reverse or modify the decision;
- That the decision of the Appeal Board shall be enforced while the School Board reviews the Appeal Board's decision.

Order of Expulsion.

If the Appeal Board orders the expulsion of the student:

- a. The Appeal Board should reduce its decision to writing in the form of a written order.
- b. If expulsion is ordered, the order must state the length of time that the student is to be expelled including the beginning and ending date.
- c. The order should state the specific findings of fact and conclusions in support of the decision.

The order should be sent to the student and, if the student is a minor, to the student's parent or guardian.

Students with Disabilities

Students with disabilities may be disciplined, in accordance with the state and federal law, for inappropriate behavior.

- a. School personnel may order a change in the placement of a child with a disability to an appropriate interim alternative educational setting, or suspend the child for not more than ten (10) days to the extent they could do so with a child without disabilities. (Note: A suspension for more than five (5) days for a child with a disability is available only if the Principal or his or her designee has recommended expulsion of the student to the Board.)
- b. School personnel may order a change in placement to an appropriate interim alternative educational setting for the same amount of time that a non-disabled child would be subject to discipline, but for not more than forty-five (45) days if the child:
 - i. Carries a weapon to school or to a school sponsored function; or
 - ii. Knowingly possesses or uses illegal drugs or sells or solicits the sale of a controlled substance at a school sponsored function. In such case, the district must develop or revise the child's functional behavioral assessment plan.
- c. If the discipline for the special education child involves a change of placement for more than ten (10) days, e.g., an expulsion, then the school must hold an IEP meeting to determine whether the behavior was a manifestation of the child's disability.
 - i. If the behavior was not a manifestation of the child's disability, the child

may be subject to the same disciplinary actions as a non-disabled student, except the school must continue to provide an appropriate education to the child.

- ii. If the behavior was related to the child's disability, the child may not be subject to disciplinary action for periods longer than ten (10) school days.
- d. A child who is not yet determined eligible for special education and related services may assert any of these protections in response to disciplinary actions if the school system had “knowledge” that the child was a child with a disability before the behavior incident. The school system is deemed to have knowledge if:
 - i. The parent of the child has expressed concern in writing to school personnel that the child is in need of special education or related services;
 - ii. Behavior or performance of the child demonstrates the need for such services;
 - iii. The parent of the child has requested an evaluation of the child for purposes of determining if the child is in need of special education or related services; or
 - iv. The teacher of the child, or other school personnel, expressed concern about the behavior or performance of the child to the director of special education or to other school personnel.
- e. If a parent requests an evaluation of a regular education child who is suspended or expelled, the evaluation must be expedited. Pending the results of the evaluation, the child shall remain in the educational placement determined by school authorities.

Appeal Procedures

a. In-school Disciplinary Actions

Should a parent disagree with disciplinary action of the school other than out-of-school suspensions or expulsions, the parent may appeal as follows: Appeals should be made to the Principal by arranging an appointment or by writing the Principal.

If the parent is dissatisfied with the result of the appeal to the Principal, the parent may appeal to the designee of the Appeal Board. Appeals must be filed in writing, within three school days of receipt by the parent of the Principal’s notice of disciplinary action.

b. Out-of-School Suspension (five days or fewer)

Should the parent disagree with a suspension of five (5) consecutive days or fewer, the parent may appeal the decision of the school as follows:

Appeal requests must be made in writing by the parent to the Principal. Such written request must be filed with the Principal within three school days of the notice of suspension, or the right to review and appeal is waived.

If the parent is dissatisfied with the Principal's decision, he or she may appeal the decision to the Appeal Board by filing a written request of appeal within five school days or the right to further appeal is waived.

In cases of immediate appeal, if the Principal determines that the student's presence at school does not create a continuing danger to persons or property or an ongoing threat of disruption, the student may be allowed to continue in school on a regular basis until the appeal is considered. A favorable decision will allow the student to continue in school, whereas a decision supporting the Principal will require the student to serve the full suspension beginning the next school day after receiving notice of the decision. In situations where the student is excluded during the appeal process and the appeal is ultimately favorable to the student, opportunity will be provided for the completion of make up assignments.

c. Expulsions

An expelled student or the parent or guardian of a minor student may appeal an expulsion order to the School Board. There is no time limit during which the appeal must be filed. However, the School Board must render a decision within sixty (60) days following receipt of the appeal.

The role of the School Board on the appeal of an expulsion decision is to insure that the required procedures were followed and that the Appeal Board's decision is based upon one of the grounds for expulsion. The decision of the School Board is final.

Authorization to Recruit:
Provost and Vice Chancellor
University of Wisconsin-Eau Claire

EDUCATION COMMITTEE:

Resolution I.1.f.:

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

Request for Authorization to Recruit

Institution: University of Wisconsin-Eau Claire

Type of Request: Provost and Vice Chancellor Search

Official University Title: Vice Chancellor

Description of Duties:

As chief academic officer, the Provost and Vice Chancellor is responsible for the leadership and administration of the academic affairs of the university. This position reports directly to the Chancellor of the university and serves as the Chancellor's deputy. Primary responsibilities include (1) oversight of academic programs and curricular issues, (2) supervision of the administrators of the undergraduate colleges and graduate program, (3) recommendation of all personnel actions pertaining to faculty and academic staff, (4) direction for budget development, (5) advice on such matters as student needs, administrative organization, facilities planning, personnel policies, community service, and communication, and (6) representation of the Chancellor upon the request of the Chancellor or System President.

Recommended Salary Range: University Senior Executive Group 1

Source of Funds: 102

Replacement Position for: Ronald N. Satz

Salary of Previous Incumbent: \$130,499

Justification for the Salary Range:

The 2006-07 Regent executive salary range 1 noted below is built on the 2004-05 actual peer median salary of \$150,000 for non-doctoral institution Vice Chancellors and Provosts, factored by 3.3% for 2005-06. The midpoint of the range is 95% of the 2005-06 predicted peer median of \$154,950, with the minimum 90% and the maximum 110% of those midpoints. The official salary range(s) were determined by the OSER Director with JCOER approval, on April 27, 2006, for 2006-07. For administrative purposes, the "effective salary range" is the highest Minimum and lowest Maximum to ensure that a salary is within the parameters of either salary range.

Vice Chancellors and Provosts Senior Executive Group 1

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
JCOER Approved Range	\$119,144	\$135,229	\$151,314 (7/1/06-3/31/07)
	\$121,825	\$138,272	\$154,719 (4/1/-7-6/30/07)
Board of Regents Executive Salary Policy Range	\$132,482	\$147,203	\$161,923 (2006-07)

Approved by:

Kevin P. Reilly, President
August 18, 2006

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

UW-Eau Claire Vice Chancellor Competitive Salary Information

2006-07 Board of Regents Senior Executive Salary Range:

2004-05 peer group median salary:	\$150,000
CUPA-HR projects 3.3% increase in 2005-06	<u>x 1.033</u>
2005-06 projected peer group median:	\$154,950
Executive salary policy cost-of living adjustment	<u>.95</u>
Regents Salary Range Midpoint:	\$147,203
Regents Salary Range Minimum (90%):	\$132,482
Regents Salary Range Maximum (110%):	\$161,923

2004-05 Peer Group Salaries:

University of Akron	\$195,750
University of Northern Iowa	\$186,400
Western Michigan University	\$185,400
Oakland University	\$177,300
University of Michigan-Dearborn	\$175,473
Purdue University-Calumet	\$169,950
Central Michigan University	\$166,860
Grand Valley State University	\$164,827
Wright State University	\$164,116
Eastern Michigan University	\$160,000
Western Illinois University	\$155,256
Saginaw Valley State University	\$154,163
Northern Michigan	\$153,000
Youngstown State University	\$152,982
Ferris State University	\$152,440
Eastern Illinois University	\$150,312
Chicago State University	\$150,000
Southern Illinois University-Edwardsville	\$148,224
Minnesota State University-Mankato	\$148,000
Indiana-Purdue University-Ft. Wayne	\$143,300
University of Minnesota-Duluth	\$140,736
Northeastern Illinois University	\$140,628
St. Cloud State University	\$139,822
Minnesota State University-Moorhead	\$139,660
Indiana University-Southbend	\$138,424
University of Michigan-Flint	\$136,629
Michigan Technological University	\$135,000
Bemidji State University	\$133,204
University of Illinois-Springfield	\$131,292
Winona State University	\$130,000
University of Southern Indiana	\$126,700
Indiana University-Northwest	\$126,000
Indiana University-South East	\$114,915

Mean	\$151,114
Median	\$150,000

UW System Non-Doctoral Institution Vice Chancellor Salaries 7/1/06:

UW-Stout	\$144,000
UW-Green Bay	\$141,594
UW-Oshkosh	\$141,262
UW-Superior	\$139,500
UW-River Falls (8-14-06)	\$139,500
UW-Parkside	\$138,002
UW-Extension	\$137,166
UW-Stevens Point	\$136,949
UW-Platteville	\$136,197
UW-Whitewater	\$135,453
UW Colleges	\$135,010
UW-La Crosse (Interim)	\$132,482

Mean	\$138,093
Median	\$137,584

PROGRAM REVIEW AND PROGRAM PLANNING IN THE UNIVERSITY OF WISCONSIN SYSTEM

August 2006

I. Introduction

The University of Wisconsin System Office of Academic and Student Services (ACSS) prepares an annual report on program planning and review to provide an overview of academic program activity across the UW System. To begin the new academic year with the overview provided by this report serves not only to review the activities that took place during the previous academic year, but also to preview the work ahead for the institutions and the Board in the arena of academic program planning and review.

Chapter 36 of the Wisconsin State Statutes places authority to “determine the educational programs offered in the system...” with the Board of Regents. Chapter 36 further provides that UW System Administration (UWSA) has the responsibility to recommend educational programs to the Board. Academic Information Series 1 (ACIS-1) sets forth the Board-approved process for various academic program actions. All new academic programs emerge as a result of a collaborative planning process between UWSA and the proposing campus(es). UWSA recommends new programs to the Board, which has final decision-making authority over program approval.

This year’s report outlines new program planning and approval over the past five years, and new program planning that is currently underway. It also includes information on institutional activity directed at maintaining high-quality academic programs and provides summary information on the following specific academic program activities:

- New program planning and approval;
- Institutional reviews of on-going programs;
- Accreditation reviews in 2005-06; and
- Management and continuous improvement of systemwide program array.

II. New Program Planning and Approval Process

With few exceptions, all new academic programs are supported through the reallocation of resources of existing programs in an effort to respond to the changing needs of students and the state. There are four major steps in the collaborative program planning process: request from the institution for entitlement to plan a new academic program; authorization by the Board of Regents to implement the new program; implementation of the program following Board approval; and a comprehensive review of the academic program five years after its implementation. It is only after this review that a program is formally approved.

A. Entitlement to Plan

The first step in the new program planning process is for an institution to request from the UWSA Office of Academic and Student Services (ACSS) an entitlement to plan a new academic program leading to a degree. The request contains a brief statement identifying the program and explaining how the program relates to planning issues, including:

- The need for the program;
- The student learning outcomes;
- The relation to institutional mission and strategic plan;
- The relation to other programs in the UW System and in the region; and
- The projected source of resources.

ACSS reviews the proposal and circulates the request to the UW System's other institutional Provosts for comment. These comments may lead to further consultation with the requesting institution and other institutions to explore more deeply how the program fits into the systemwide program array and possible collaborative efforts. The request for entitlement to plan is then either granted, deferred for further development, or denied.

Since July 1, 2001, the Office of Academic and Student Services has granted 47 entitlements and returned four to the institution for further development. Eight entitlement requests either expired or were withdrawn. Currently, there are two entitlement requests pending. Of the entitled programs, 27 have been implemented and one is authorized but not yet implemented.

B. Authorization to Implement

Once an institution has been granted an entitlement to plan, the next step is for it to develop a proposal for authorization to implement. The request for authorization to implement must address the following:

- Context, including history of the program, relationship to existing programs, relationship to campus mission and strategic plan, and campus program array history;
- State, regional, and national need, including comparable programs within and outside the state, student and market demand for graduates of the program, and possible collaboration or alternative program delivery possibilities;
- Program description and evaluation, including objectives, curriculum, diversity infusion, relationship to other curricula, method of assessment, and use of information technology/distance education;
- Personnel, including what steps will be taken to recruit and retain students, faculty, and staff from diverse populations and perspectives;
- Academic support services including library and advising;
- Facilities and equipment; and
- Budget and finance.

The program proposal then undergoes several levels of review, including review by: external consultants; appropriate governance bodies; and a Program Review Committee that consists of a representative of UW System Administration and representatives of the proposing institution(s). If the program proposal receives positive reviews from the governance groups and the Program Review Committee, the committee recommends that the Provost of the institution seek authorization to implement the program. The Provost submits the authorization proposal and related materials to ACSS where a decision is made as to whether the program warrants submission to the Board of Regents. Following a positive decision, the program is presented to the Education Committee and the Board of Regents for approval. During the past five years, 43 programs were authorized by the Board for implementation.

C. Implementation by the Institution

Once authorized to implement the program, the institution sets an implementation date. Campuses sometimes choose to delay implementation, and on occasion, a campus makes a decision not to go forward with an authorized program because of changed circumstances. Of the 43 programs that were authorized by the Board for implementation during the last five years, 41 have been implemented.

D. Joint Program Review

The final step in the approval of new academic programs is a joint program review conducted approximately five years after the program is implemented. The review is designed to determine how well the program has met its goals and objectives, and whether it has achieved these goals with the resources anticipated.

When the joint program review is completed, the report is submitted to ACSS for formal action on whether to continue the program. If the program is approved for continuation, it is then placed into the institution's normal program review cycle.

E. Summary

The following table shows summary data on the number of entitlements to plan granted by ACSS, authorizations to implement approved by the Board of Regents, and the number of programs implemented from 2001-02 through 2005-06. For purposes of this tally, the academic year begins on July 1 and ends on June 30.

	2001-02	2002-03	2003-04	2004-05	2005-06	Total
Entitlements	5	10	6	12	14	47
Authorizations	7	10	7	9	10	43
Implementations	6	12	3	13	7	41

From July 1, 2001, to date, 47 programs received entitlement to plan, including 25 programs at the baccalaureate level, 13 at the master's level and 9 at the doctoral level.

III. Institutional Program Review

Each UW institution reviews all of its academic programs on a regular cycle, usually every seven to ten years. These reviews are one of the principal means by which UW System institutions ensure continued quality of their programs.

The specific protocols and procedures involved in these reviews vary from institution to institution, reflecting differences in organizational structure and form of faculty governance. However, the process generally involves a thorough self-study by the department or program and a rigorous review by a college or institutional committee. External evaluation is often a part of the review. The results of the review, along with the recommendations, are reported to the appropriate Dean, Provost, and/or designated committee. The institutions also report the results of these reviews to ACSS on an annual basis, along with a brief description of the outcome of each review.

During 2005-06, 176 program reviews were completed, resulting in 13 conditional continuations with annual or interim reports responding to such issues as enrollments, assessment, and curriculum; and a suspension of enrollment in one program. Of the program reviews that began in or before 2005-2006, 75 are currently in progress.

Among the key substantive areas addressed in the campus program reviews undertaken were:

- Students success
 - Student/faculty research collaboration;
 - Curriculum review;
 - Increasing scholarship funds;
 - Programs to meet emerging needs;
 - Articulation agreements to enhance transfer opportunities;
 - Degree completion;
 - Access to programs by women and students of color; and
 - Diversity of faculty and students.
- Resources
 - Facilities and instructional staff;
 - Accommodating increased enrollment with reduced resources while maintaining quality;
 - Efficient use of resources;
 - Adjusting to changes in demand for academic programs;
 - Credits to degree; and
 - Prerequisite requirements.
- Assessment
 - Strategic planning and establishment of vision and goals;
 - Responsiveness to employer needs;
 - Systematic tracking of graduates;

- Value-added assessment; and
- Tracking student progress-to-degree completion.
- Service to the community
 - Program's service to the community;
 - Student service learning; and
 - Establishment of internships.

IV. Program Accreditation

UW System institutions undergo both institutional accreditation and specialized accreditation. Institutional accreditation includes all areas, and focuses on the whole institution as it defines itself. All UW System institutions are accredited by the North Central Association Commission on Accreditation and School Improvement (NCA CASI). The Education Committee receives a report from each institution that has gone through institutional accreditation, as part of its report on general education. Specialized accreditation addresses specific programs within an institution. This form of accreditation is discipline-specific, often related to professional programs, and in particular professional programs that require graduates to seek licensure to practice.

Specialized accreditation activity at the UW System institutions is consistent with national patterns. Currently, about 260 UW System programs are eligible for accreditation by recognized specialized accrediting organizations, and all doctoral and comprehensive UW System institutions hold multiple specialized accreditations.

UW System institutions annually report accreditation activity to ACSS. In 2005-2006, UW System institutions reported the completion of 17 specialized accreditations. In the past three years, 71 accreditation reviews have been completed, including institutional accreditations. There are 102 accreditation reviews scheduled to begin in 2006-2007.

V. Program Array Management and Continuous Improvement

The process of program planning and review is continually reviewed, revised, and improved in response to recommendations from UW System faculty and administrators changing priorities and needs. During the 2005-2006 academic year there were a variety of initiatives directed toward continuous improvement.

A. Revision of Program Planning Guidelines

In response to recommendations from the Provost/Chief Business Officer Working Group on Academic Program Planning Efficiencies, the format institutions use in preparing a new academic program proposal was revised, shortened, and simplified. Request for the inclusion of some information, such as faculty vitae and details concerning computer software, was eliminated. The focus of other areas was sharpened to reflect the increasing integration of technology into the educational process and the increasing sophistication of students in the use of technology. Additional information was requested concerning planning to attract diverse faculty

and academic staff. The revised guidelines are available on the redesigned Program Planning Website (<http://www.uwsa.edu/acadaff/planning/>).

B. Revision of the Joint Program Review Process

In response to another recommendation from the Provost/CBO Working Group on Academic Program Planning Efficiencies, the Board, at its February 2006 meeting, acted to amend Regent policy ACIS 1.0, to permit a significant revision to the joint program review process. The revised process establishes that the first regularly scheduled institutional review will serve as the required joint program review. The review report from the institution will serve as the basis for the UW System decision regarding final approval of the program.

C. Revision of the Board of Regent Approval Process

Also at the February 2006 meeting, the Board approved a change in practice concerning the presentation and approval of new program proposals. The number of readings of new programs before the Education Committee was reduced from two to one, except in cases where the Board requests additional information.

D. Assessment Workshop

Planning for and implementing academic program assessment is an on-going, and sometimes challenging, task. In Spring 2006, in collaboration with the Office of Professional and Instructional Development, ACSS sponsored three regional workshops entitled *Assessing and Enhancing Student Learning in the Department or Program: Feasible, Practical, and Simple Strategies*. The workshops, which were attended by 237 department chairs and faculty, provided participants with the opportunity to design an assessment plan for new academic programs and to evaluate current assessment practices.

E. Guidelines for UWS Programs Offered outside the United States

UW System institutions have developed an array of agreements with international entities for the delivery of academic courses and programs in locations outside of the United States. Frequently, these programs are offered in collaboration with institutions in other countries. Representatives from ACSS and the General Counsel's office have worked together to prepare guidelines to aid institutions in planning for and executing these agreements. These draft guidelines have been reviewed by the Program Planning Team and Review Advisory Committee, and by representatives at several institutions. The guidelines and checklists, with model agreements and contracts, will be posted on the Program Planning Website at <http://www.uwsa.edu/acadaff/planning/> to offer guidance.

VI Conclusion

Despite budgetary constraints, this is a time of great energy and creativity in planning for new academic programs in the UW System to respond to state needs. Of the 26 programs currently entitled, institutions have indicated their intention to present 18 to the Board of Regents for approval during the 2006-2007 academic year. The institutions have also indicated that 16 additional programs are in the planning stages. Some of these programs represent collaboration with Wisconsin Technical College System, which has been identified as an important partner in the effort to increase the number of Wisconsin citizens with baccalaureate degrees. There is also planning for new programs in collaboration with multiple UW System and/or private institutions.

The response of UW System institutions to state needs and to the increasingly competitive higher education market, and the institutions' commitment to contribute to economic growth is clear from the categories of proposed new programs. Over one-third of the pending programs are in the fields of mathematics, science, and technology. There are six pending programs related to health care, and six pending programs in education.

As is always the case, the creation of new academic programs represents only a small part of institutional program activity. New minors, concentrations, and certificate programs are added and deleted as the needs of the institution, the students, and the state change. In order to serve the needs of working adults or place-bound individuals, increasing numbers of courses and programs are being scheduled for weekend and evening delivery, offered through distance technology, or offered at new sites.

The academic program array of the UW System will continue to undergo change as institutions remain flexible and nimble in their response to the changing environment. Each new program subtly changes the institution and the system. The collaboration among the faculty and administration of the institutions, the ACSS staff, and the Board of Regents will be essential to ensure that academic programs continue to be of high quality, to be well aligned with institutional and system mission, and to make efficient and effective use of scarce resources.

EDUCATION COMMITTEE

Resolution I.1.h.(2):

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents accepts the 2006 Research and Public Service Report for submission to the Joint Committee on Finance.

UNIVERSITY OF WISCONSIN SYSTEM 2006 RESEARCH AND PUBLIC SERVICE REPORT

EXECUTIVE SUMMARY

BACKGROUND

Section 36.45 (3) of the Wisconsin Statutes requires the University of Wisconsin System to report to the Governor and the Joint Committee on Finance the purpose, duration, cost, and anticipated completion date of all research and public service projects for which it is expending general purpose revenues. The eighth of these biennial reports will be submitted September 1, 2006, pending approval from the Board of Regents.

The Board of Regents approved the initial research and public service report during its July 10, 1992 meeting. The report was sent to the Governor and to the Joint Committee on Finance for their review. Based on their comments, a revised report was submitted in March 1993. The Governor and the Joint Committee on Finance accepted the revised report and all subsequent reports.

The 2006 report follows the same format as the revised 1992 report. Financial and program information has been updated to reflect the 2005-06 fiscal year.

REQUESTED ACTION

Approval of Resolution I.1.h.(2), accepting the 2006 Research and Public Service Report for submission to the Joint Committee on Finance.

RELATED REGENT POLICIES

Regent Resolution 6032. There are no other Board Policies relating directly to this subject.

UNIVERSITY OF WISCONSIN SYSTEM

2006 RESEARCH REPORT

UNIVERSITY OF WISCONSIN SYSTEM 2006 RESEARCH REPORT

I. OVERVIEW

As shown in Table 1, the University of Wisconsin System's 2005-06 GPR research budget was \$74 million. The majority of the research funding (76.7 percent) was in the UW-Madison budget.

TABLE 1
RESEARCH FUNDING BY INSTITUTION
2005-06 FISCAL YEAR

<u>INSTITUTION</u>	<u>FUNDING</u>	<u>PERCENT</u>
Madison	\$ 56,645,246	76.7%
Milwaukee	14,694,220	19.9%
Comprehensives and Colleges	1,570,611	2.1%
Systemwide	983,166	1.3%
Extension	-	0.0%
Totals	\$ 73,893,243	100.0%

II. UW-MADISON RESEARCH

A. Background

UW-Madison's 2005-06 GPR research budget was \$56.6 million. Some of the key facts about the research budget include:

- \$40.1 million was allocated to salaries and wages, and \$18.1 million was allocated to fringe benefits. A small amount of these costs was offset by sales credits of \$1.6 million.
- The salary and wage budget provided funding for 387.1 unclassified and 280.46 classified FTE research positions.
- The budget was divided among three funds: general program operations, industrial and economic development, and distinguished professorships.
- The general program operations fund accounted for 98 percent of the total GPR research budget.
- Five schools and colleges accounted for approximately 82 percent of the general program operations GPR research budget: the College of Agricultural and Life Sciences, the College of Engineering, the College of Letters and Science, the Graduate School and the School of Medicine and Public Health. The budget for the

College of Agricultural and Life Sciences alone was over 50 percent of the general program operations research budget.

B. Use of Funds

The GPR research funding functions as an investment in UW-Madison's research enterprise. ***It provides the core support and basic infrastructure that are required for the continued operation of sponsored research programs.*** In a typical department, GPR research funds support the salaries of classified clerical and fiscal staff responsible for payroll processing and purchasing related to external grants, typing grant applications, and correspondence related to grant activities, etc. Typical biological and physical science departments and campus-wide research support centers also budget GPR research funds for classified and unclassified technical support personnel, such as laboratory technicians, lab animal care staff, and instrumentation technicians. These positions form a human resource infrastructure that provides general support to sponsored research programs. Responsibilities of the positions are not limited to, or associated with, particular research grants or projects. Instead, they provide broad support to the total sponsored research program. Continuity of funding for these positions is a fundamental requirement. A department cannot, for example, hire and terminate a payroll benefits specialist whenever it begins and concludes a sponsored research project. The GPR research budget ensures continuity of funding.

The budget is also invested in partial salary support for faculty members. GPR research funds are budgeted for faculty salaries for a variety of purposes, including:

- match money for federal grants that require institutional contributions;
- supplements to existing sponsored research activities;
- support for a faculty member to compete for extramural funds; or
- "bridge" funds which support a faculty member's research efforts for an interim period when extramural funding has expired.

In 2005-06, the return on this investment in support staff and faculty salaries was \$703 million in extramural grants and contract awards.

C. Relationship of Research Funding and Research Projects

With the exception of legislated research projects and projects funded through the Faculty Research Committee, the GPR research budget is not allocated on a project basis or for narrowly defined research purposes. The support staff discussed above are rarely associated with specific research efforts or projects. Therefore, they are not budgeted in that manner. At any time, the research components of a particular faculty member's salary might be associated with multiple research projects (some federally and some privately funded) with different time frames and purposes. In these multiple projects, the salary serves different functions (e.g. as a required match in some, as a supplement in others, etc.). Alternatively, the research component of a faculty member's salary might not be associated with any specific research projects; the faculty member might be writing one or multiple grant proposals. Given these complexities, GPR research funds

for faculty salaries, like support staff salaries, are not budgeted for specific projects or narrowly defined research purposes.

D. Reductions and Reallocations

UW-Madison has absorbed significant reductions and made significant reallocations of its GPR research budget over the past 33 years. Since 1972-73, \$21.8 million of GPR funds has been cut by the state or reallocated to other programs (e.g. instruction, academic support). The reallocation has resulted from three categories of funding shifts:

- institutional reallocations to meet institutional priorities;
- internal school and college reallocations to meet school and college priorities; and
- program and activity reclassifications.

In addition, there have been significant reallocations that did not affect the total GPR research budget. Existing GPR research funds have been shifted between schools and colleges, and departments. Although there have been large individual reallocations, most reallocations are relatively small, take the form of vacant position transfers or redefinitions, and are conducted at the school or college level. ***The position approval process is the primary tool available to school and college administrators for reallocating the GPR research budget.***

Appendix 1 provides historical analysis of the UW-Madison research budget. Appendix 2 describes the research budget review process of the largest UW-Madison schools and colleges. Appendix 4 describes legislated UW-Madison research projects.

III. UW-MILWAUKEE RESEARCH

UW-Milwaukee's total 2005-06 GPR-funded research budget was \$14.7 million. The specific use of UW-Milwaukee's Activity 4 budget has been reviewed closely this year and strategic plans for reallocation have been set into motion starting in 2006-07. The prioritization of uses of these funds in 2005-06 was consistent with prior years:

- The Graduate School Research Committee awarded modest amounts of funding, primarily earmarked for junior faculty, to develop new research programs.
- The Graduate School Office of Research Services and Administration provided matching funds on research grants to satisfy funding agency expectations, primarily in the form of required cost sharing on major equipment grants.
- The Graduate School research centers, laboratories, institutes, and offices funded continuing research projects and reviewed the research of faculty and staff scientists.
- The College of Engineering and Applied Science awarded matching funding on grants to senior faculty as well as seeded money and release time from teaching to junior faculty to initiate research programs and projects.
- The College of Letters and Science assigned research funding based upon the research activity and extramural funding generated by faculty; this often served as a match on grants.

- Several initiatives initiated in the Milwaukee Idea involved research in health-related fields (Healthy Choices Initiative and Institute of Environmental Health) and economic development (Consortium for Economic Opportunity and Milwaukee Industrial Innovation Center).
- The Helen Bader School of Social Welfare operated a Center for Addiction and Behavioral Health Research.
- Funds in excess of \$400,000 have been budgeted in Unit Wide to address one-time start-up needs for new faculty involved in research.

The remaining 25 percent of the GPR research funding has been committed to support research infrastructure. This total amount includes funding assigned to the Graduate School Office of Research Services and Administration and funding assigned to the various research support offices of the schools/colleges.

Table 3 in Appendix 1 provides a breakdown by school/college of GPR-funded research budgets for 1985-86, 1995-96, and 2005-06.

Under Chancellor Carlos Santiago's leadership, UW-Milwaukee's utilization of its Activity 4 funds began a strategic transformation in 2005-06. First, a new investment of \$1M in base 101-4 funds was committed to funding the Wisconsin Institute for Biomedical, Health and Information Technologies (WIBHT). This initiative – a collaborative with local industries and health partnerships – was the choice for funding out of several campus proposals to raise the return on investment of state-funded research dollars that would, in addition, respond to the economic needs of Southeast Wisconsin. Building on the theme established by WIBHT, Chancellor Santiago initiated the Research Growth Initiative (RGI) – a strategic plan to invest UW-Milwaukee's Activity 4 funds into research proposals that will garner a dramatically higher return of extramural dollars than UW-Milwaukee has previously accomplished. UW-Milwaukee faculty and staff were invited to submit proposals for institutional funding to develop grant proposals. Over 500 faculty and staff responded to this call, submitting 285 proposals. Following review of these proposals by a renowned panel of reviewers, 45 projects could be funded, representing about half of those recommended for funding using 101-4 institutional dollars supported by \$2.5M of campus reserves. As the RGI progresses, UW-Milwaukee's Activity 4 funds will increasingly be freed to be utilized to seed research projects and proposals and be offset by increases in extramural funds.

IV. UW COMPREHENSIVE INSTITUTIONS AND UW COLLEGES RESEARCH

Although approximately 97 percent of the UW System's GPR research funding is budgeted at UW-Madison and UW-Milwaukee, faculty at the comprehensive institutions also need to engage in research in order to remain current in their fields. The comprehensive institutions have established internally funded programs designed to encourage and support faculty and academic staff members to engage in research and other scholarly and creative activities, as well as to provide research experiences for their undergraduate and graduate students. Funds are available for researchers, writers, artists,

and performers who need project support for gathering data, accessing primary materials, equipment, services, supplies, student research collaboration, and clerical assistance. Funding awards are relatively small (\$100 to \$5,000).

The UW Colleges have established department-based funding for supporting professional development activities for all faculty and instructional academic staff. Funds are available for individual research, department-wide research, and attending professional conferences. Funding awards range from \$100 to \$800.

V. SYSTEMWIDE RESEARCH

Funding for three UW System research programs is held in systemwide accounts. These programs are:

- **APPLIED RESEARCH**, which provides funding for UW System institutions for research addressing specific problems faced by Wisconsin industries. Details regarding this program are provided in a separate biennial report to the State.
- **DISTINGUISHED PROFESSORS**, which provides partial support for up to twenty Distinguished Professor positions in the University of Wisconsin System for research in areas of vital or emerging economic significance to the State of Wisconsin. The GPR funding is matched by an equal or greater amount from businesses and/or non-GPR sources. At the end of the 2005-06 fiscal year, this funding supported nine professors at UW-Madison, eight at UW-Milwaukee, one at UW-Stevens Point, and one at UW-La Crosse.
- **SOLID WASTE RESEARCH PROGRAM**, which provides funding to UW System principal investigators and undergraduate students for research into alternative methods of solid waste disposal. Funding for the program is provided through the state's Recycling Fund. The program's website, www.uwsa.edu/oslp/ehs/swrp, has information about funded projects.

APPENDIX 1
HISTORICAL ANALYSIS OF RESEARCH BUDGETS AT
UW-MADISON AND UW-MILWAUKEE

I. UW-MADISON

A. Background

UW-Madison's GPR research budget, excluding fringe benefits, increased by \$26.6 million between 1972-73 and 2005-06. The 1972-73 GPR budget reflects the State's "general purpose" base investment in UW-Madison's research enterprise at the time of merger. This base served the same purposes as the GPR research base does today: it provided a stable human resource infrastructure, opportunities for faculty to compete for extramural funds, and matching funds for gifts, grants, and contracts. The \$26.6 million increase is a function of changes in the following four general categories of funding. (All amounts exclude fringe benefits.)

1. Compensation Increases.

This category includes all salary and wage related allocations, such as faculty, academic, and classified pay plans; catch-up pay; student wage increases; length-of-service pay; performance awards; quality reinvestment; pay equity, etc. Cumulative compensation increases over the period were approximately \$40.5 million.

2. Specific Research Allocations.

This category includes all legislated appropriations for specific research purposes, such as Alzheimer's disease research. A list of these allocations is shown in Appendix 3. Total UW-Madison specific research allocations were approximately \$7.8 million. This amount reflects the sum of the initial allocations for these projects; subsequent pay-plan increases related to the projects are included in the category above.

3. General Reductions and Allocations.

This category includes all general allocations that were not restricted to the research program, excluding compensation increases, such as productivity and base-budget reductions, inflation offsets, and turnover savings. General reductions and allocations reduced the research budget by \$13.2 million over the period. The negative impact of this category is due primarily to mandated base-budget reductions in 1980-81, 1981-82, 1985-86, 1995-96, 1996-97, 2001-02, 2002-03, 2003-04, and 2005-06.

4. Institutional Reallocations.

This category includes all GPR reallocations made by UW-Madison that resulted in a shift of funds to or from the research program. Net reallocations over the period reduced the GPR research budget by \$8.6 million.

Thus, since 1972-73, UW-Madison's "general purpose" GPR research budget has changed as a result of standard pay-plan increases, specific research allocations, required budget cuts, and funds reallocated to other activities. The total GPR research budget increased by \$7.8 million due to legislated appropriations for specific research purposes. Assuming standard pay plans represent the cost-to-continue for the 1972-73 base budget, UW-Madison's current "general purpose" GPR research budget is approximately \$21.7 million lower than the budget that would have developed from the 1972-73 base. This is a minimum estimate because the impact of the reductions and reallocations on subsequent compensation increases has not been taken into consideration.

The extent of UW-Madison's internal reallocations is confirmed by two facts. First, as a percentage of total GPR, GPR budgeted for research was approximately 21.7 percent in 2005-06, compared with 18.7 percent at merger in 1972-73. (Figures represent research GPR taken as a percent of total GPR excluding special-purpose appropriations, such as debt service, utilities, etc.) However, approximately \$11.3 million of the current budget consists of those legislated, specific research projects that did not exist in 1972-73. If the \$11.3 million is excluded from current budget amounts, the current research portion becomes 17.4 percent, or a 4.3 percentage point decline.

Second, the change in research FTE positions funded by GPR also reflects substantial reallocation. In 1973-74 (1972-73 FTE data are not available), 738.01 FTE GPR-funded positions were budgeted on research. In 2005-06, 667.56 FTE GPR-funded positions are budgeted on research. In addition, over that period UW-Madison received an additional 146.63 FTE positions for legislated, specific research projects. If these positions are removed from the current budget, there has been a net reduction of 217.08 FTE. This reduction represents a minimum because it does not include reallocations of positions required for some legislated projects for which FTE's were not provided.

B. Reallocations

The net reduction of \$8.6 million of GPR-funded research represents the effects of several types of funding shifts: institutional-level reallocations to meet new institutional priorities, internal school and college reallocations to meet new institutional priorities, internal school and college reallocations to meet new school and college priorities, and reclassification of existing activities. In the first two cases, funds are removed from an existing function, which is usually terminated, and applied to an alternate function. In the latter case, a particular function continues to be funded, but it is redefined as another activity such as instruction, academic support, etc. These reclassifications occur because program definitions evolve through time.

In aggregate, internal school and college reallocations account for most of the institution's total reallocations. School and college deans and faculty members have the greatest knowledge concerning their respective disciplinary areas and are in the best position to recognize and act upon changing needs and priorities in their various programs. Typically, such reallocations are relatively small in magnitude (i.e., less than \$100,000), so that the \$8.6 million total is the result of many individual decisions to reallocate funds over the past thirty-three years. Some examples of UW-Madison's GPR research reallocations are listed below.

1. Institutional Reallocations.

- In 1995-96, UW-Madison reallocated \$118,000 to support and enhance the research program in the School of Pharmacy.
- From 1992-93 and 1994-95, UW-Madison reallocated over \$1.6 million of GPR research funds as part of the institution's Quality Reinvestment Plan. The plan involved examination of all of the institution's programs and a redirection of funds to meet unfunded priority needs.
- In 1988-89, \$113,000 was reallocated from research to support development and implementation of automated registration.
- In an effort to strengthen UW-Madison's public service mission, the institution established the Division of University Outreach in 1984-85. The new division was partially funded through a \$100,000 reallocation from the research budget.

2. Internal School and College Reallocations.

- In 1996-97, the School of Veterinary Medicine reduced its research budget by \$90,000 to support greater faculty effort in the area of public service.
- In 1994-95, the College of Engineering reallocated approximately \$176,000 from research to instruction to support graduate education programs.
- In 1976-77, the School of Family Resources and Consumer Sciences shifted \$11,000 in faculty salaries from research to instruction after a faculty member retired.
- To meet instructional program requirements, \$78,000 for a vacant position in the Medical School was reallocated from research to instruction in 1980-81.
- To encourage retention of a faculty member in 1984-85, the College of Engineering provided a research opportunity at the Engineering Experiment Station. This effort required the college to reallocate \$10,000 to the research budget.
- In 1987-88, the College of Letters and Science conducted a \$567,000 reallocation from research to instruction to meet the expenses of operating a quality instructional

program. At that time, competitive starting salaries for faculty in such areas as Computer Science had increased significantly beyond the growth rate in the college's instructional budget. The college also faced a high priority need for microcomputers and other technical equipment to adequately meet the needs of students.

3. Reclassification

- In 2000-01, the Law School reclassified approximately \$142,000 of research activity to student services to meet appropriate program definitions.
- In 1999-00, the College of Engineering reclassified staff and computing resources, which support research from academic support to research, resulting in a \$100,000 increase in the research budget.
- In 1995-96, approximately \$227,000 was reclassified from research to academic support as the UW Press budget was realigned to reflect appropriate activity code definitions.
- In 1993-94, approximately \$144,000 was reclassified from research to physical plant as the Biological Safety Office was transferred from the Graduate School to the Division of Facilities Planning and Management.
- In 1985-86, Earthwatch and Public Information Programs in the Institute for Environmental Studies were reclassified from research to public service, causing a \$20,000 decrease in the research budget.
- The Guidance Institute for Talented Students in the School of Education was reclassified as a public service activity in 1978-79; \$61,000 was shifted from research to public service.
- In 1982-83, \$405,000 was reclassified from research to experimental farms to appropriately reflect the magnitude of farm operations in the College of Agricultural and Life Sciences.
- In 1989-90, administration of the extramural support program in the Medical School was reclassified from academic support to research in accordance with appropriate activity definitions. The reclassification produced an \$84,000 increase in the research budget.
- In 1991-92, \$160,000 for undergraduate research fellowships was reclassified from instruction to research.

These examples illustrate the types of reallocations and funding shifts that affect the aggregate GPR research budget at the UW-Madison. There are, however, other reallocations that do not necessarily impact UW-Madison's aggregate GPR research

budget. These reallocations take the form of GPR research funding shifts within and among schools and colleges.

Table 2 shows the portion of the total GPR budget accounted for by each school, college, and administrative unit in 1985-86, 1995-96, and 2005-06. To isolate the effects of budget shifts between colleges, all legislated specific GPR research allocations have been excluded. The table indicates, for example, that in 1985-86, the Graduate School, the Medical School, and the College of Agricultural and Life Sciences accounted for approximately 19 percent, 9 percent and 55 percent of the GPR research budget, respectively. By 2005-06, these units accounted for approximately 12 percent, 6 percent, and 63 percent of the GPR research budget, respectively. Each percentage point increase or decrease was equivalent to approximately \$280,000 in base GPR funding. Part of these shifts is attributable to formal reallocations between divisions, and part is attributable to greater incremental funding being directed to, for example, the School of Medicine and Public Health. Other units also show significant change.

TABLE 2
UNIVERSITY OF WISCONSIN-MADISON
COMPARISON OF GPR RESEARCH BUDGETS
1985-86, 1995-96, AND 2005-06

Research Report 11

DIVISION	1985-86		1995-96		2005-06	
	<u>Funding</u>	<u>Percent</u>	<u>Funding</u>	<u>Percent</u>	<u>Funding</u>	<u>Percent</u>
Business Services	\$362,404	1.7%	\$502,384	1.9%	\$0	0.0%
Division of Information Technology	\$0	0.0%	\$0	0.0%	\$153,000	0.5%
College of Agricultural and Life Sciences	\$11,628,616	54.9%	\$14,409,679	53.8%	\$17,582,649	62.7%
International Studies	\$0	0.0%	\$0	0.0%	\$164,329	0.6%
School of Education	\$242,408	1.1%	\$180,305	0.7%	\$112,837	0.4%
College of Engineering	\$909,779	4.3%	\$995,596	3.7%	\$581,792	2.1%
School of Human Ecology	\$50,073	0.2%	\$72,867	0.3%	\$91,744	0.3%
Graduate School	\$4,114,887	19.4%	\$3,950,081	14.7%	\$3,292,966	11.7%
Institute for Environmental Studies	\$111,943	0.5%	\$24,141	0.1%	\$308,277	1.1%
Law School	\$160,082	0.8%	\$335,315	1.3%	\$112,072	0.4%
College of Letters and Science	\$1,407,361	6.6%	\$2,199,069	8.2%	\$1,962,997	7.0%
School of Medicine and Public Health	\$1,941,447	9.2%	\$3,258,343	12.2%	\$1,642,211	5.9%
School of Nursing	\$0	0.0%	\$56,646	0.2%	\$80,243	0.3%
Psychiatric Institute	\$203,553	1.0%	\$273,998	1.0%	\$340,490	1.2%
School of Pharmacy	\$54,934	0.3%	\$346,126	1.3%	\$690,732	2.5%
School of Veterinary Medicine	\$0	0.0%	\$0	0.0%	\$710,983	2.5%
Campus-wide (Undergrad Res. Fellowships)	<u>\$0</u>	<u>0.0%</u>	<u>\$200,000</u>	<u>0.7%</u>	<u>\$200,000</u>	<u>0.7%</u>
Total	\$21,187,487	100%	\$26,804,550	100%	\$28,027,322	100%

Note: Excludes Fringe Benefits and Legislated Research Projects.

Table 3 shows the portion of the total GPR budget accounted for by each UW-Milwaukee school, college, and administrative unit in 1985-86, 1995-96, and 2005-06.

TABLE 3
UNIVERSITY OF WISCONSIN-MILWAUKEE
COMPARISON OF GPR RESEARCH BUDGETS
1985-86, 1995-96, and 2005-06

DIVISION	1985-86		1995-96		2005-06	
	<u>Funding</u>	<u>Percent</u>	<u>Funding</u>	<u>Percent</u>	<u>Funding</u>	<u>Percent</u>
General Education Administration	\$0	0.0	\$0	0.0	\$2,965	0.0
Administrative Affairs	\$18,027	0.4	\$31,930	0.4	\$16,663	0.1
Academic Affairs	\$9,600	0.2	\$0	0.0	\$2,539	0.0
Milwaukee Idea	\$0	0.0	\$0	0.0	\$547,659	3.7
Health Sciences	\$0	0.0	\$15,776	0.2	\$139,358	0.9
Architecture and Urban Planning	\$23,740	0.5	\$76,498	1.0	\$22,348	0.2
Business Administration	\$153,666	3.1	\$347,535	4.7	\$288,216	2.0
Education	\$30,637	0.6	\$160,023	2.2	\$205,185	1.4
Engineering and Applied Science	\$338,823	6.9	\$574,611	7.8	\$1,022,757	7.0
Arts	\$4,707	0.1	\$0	0.0	\$0	0.0
Graduate School	\$2,668,492	54.5	\$3,125,649	42.4	\$4,305,419	29.3
Information and Media Technology	\$53,466	1.1	\$299,010	4.1	\$343,495	2.3
Letters and Science	\$674,604	13.8	\$1,288,304	17.5	\$2,053,226	14.0
Information Studies	\$0	0.0	\$0	0.0	\$1,626	0.0
Nursing	\$45,147	0.9	\$164,058	2.2	\$388,469	2.6
Social Welfare	\$34,080	0.7	\$57,000	0.8	\$380,625	2.6
Academic Support	\$167,382	3.4	\$0	0.0	\$0	0.0
Unit Wide	<u>\$672,955</u>	<u>13.7</u>	<u>\$1,238,565</u>	<u>16.8</u>	<u>\$4,973,490</u>	<u>33.8</u>
Total	\$4,895,326	100.0	\$7,378,959	100.0	\$14,694,040	100.0

APPENDIX 2

UW-MADISON RESEARCH BUDGET REVIEW PROCESS

I. BACKGROUND

Five UW-Madison schools and colleges accounted for approximately 82 percent of the 2005-06 general program operations GPR research budget: the College of Agricultural and Life Sciences, the College of Engineering, the College of Letters and Science, the Graduate School, and the School of Medicine and Public Health. Historically, these units have effectively accounted for UW-Madison's total GPR research budget, excluding any legislated specific research allocations. Table 2, which excludes such allocations, shows that these units accounted for over 89 percent of the research budget in 2005-06.

II. COLLEGE OF AGRICULTURAL AND LIFE SCIENCES

A. Background

The College of Agricultural and Life Sciences (CALS) has the single largest school or college GPR research budget at the UW-Madison. Its 2005-06 budget was \$18.9 million, which was approximately 50 percent of the UW-Madison general program operations GPR research budget, and three times as large as the next largest school or college GPR research budget. CALS accounted for 307 of the 667 FTE total research positions funded by GPR.

The relative size of the CALS GPR research budget illustrates its status as a "special case" among UW-Madison schools and colleges. To a great extent, the anomalous size of the research budget is the result of certain federal and state policies dating back to the 1800s. Briefly, in the nineteenth century, the Hatch-Adams Act created the federal land grant system, which established land grant educational institutions and agricultural experiment stations in each state. In Wisconsin, UW-Madison was established as the land grant institution, and the state agricultural experiment stations were administered by the institution's agricultural college. Until the 1940s, the federal government sponsored research at experiment stations through fixed allocations of funds under the Hatch program. The State of Wisconsin also funded agricultural research at the experiment stations through the agricultural college. When, in the 1940s, the modern era of accelerated research and development spending began, the Hatch program was modified to promote greater agricultural research activity. The federal government modified the program to distribute funds on a formula basis, which required and gave weight to state contributions to agricultural research. To qualify for these formula funds, states budgeted greater amounts of research funds through their land grant agricultural colleges and experiment stations. Hatch funds are still distributed on this formula basis.

As a consequence of this infusion of state research funds, state funded research budgets at most land grant agricultural colleges are relatively large when compared with other state-funded research programs. Some land grant agricultural colleges separately budget their state contribution to agricultural research, as does UW-Madison. Others separately

budget a portion and fund the remainder through a fixed allocation of instructional funds to departmental research. In any case, the relative size of the CALS research budget when compared with other UW-Madison schools and colleges is similar to relative budget levels at other land grant institutions.

B. Use of Funds

The CALS GPR research budget is divided among approximately 30 academic departments and research centers. The budget provides funding for 222.87 unclassified and 84.19 classified FTE positions. CALS conducts several legislated research projects, including the Family Farm and Cheese Research Institutes, Nonpoint Source Pollution Control, and Sustainable Agriculture. The intent and budget of the legislation authorizing these projects are appropriately observed by the college. The budget for these projects is approximately \$.8 million, excluding fringe benefits.

The primary purpose of the CALS GPR research budget is to provide core support and basic infrastructure for the extramurally funded research program. The budget, which is almost exclusively allocated for salaries, is essentially divided between faculty and support staff. Support staff positions, both classified and unclassified, include titles such as laboratory managers, laboratory technicians, and fiscal and clerical support staff. Most of these positions provide general research support to a department and are allocated based on program need (e.g. animal science departments require animal caretakers). Continuity of funding for such general support positions is a fundamental requirement of departmental research programs; GPR research funds guarantee this continuity. In contrast, support positions directly involved in discrete research projects are funded by gifts, grants, or contracts.

C. Allocation/Reallocation of Funds

The allocation of the GPR budget across departments and disciplinary areas is designed to shape and conform to the long-range research agenda established by CALS administrators and faculty. Their ability to direct research programs in the short term is, however, limited to discretionary funding authority in certain non-GPR funding categories, such as Hatch formula funding. For example, if CALS determines that agricultural systems research is of high priority, it can designate a certain portion of Hatch funds for that use and specifically invite proposals in that area. Although all research proposals made to Hatch and other federal formula funds are peer-reviewed, there are normally many more projects recommended for funding by the peer-review process than there are resources to fund. Thus, there is some flexibility to select peer-review approved projects that are of highest priority and consistent with CALS research objectives.

In the longer term, CALS is able to shape the research direction of the college by adjusting the GPR research budget. By approving or not approving open faculty and academic staff positions, CALS administrators are able to exercise their greatest control over the long-range research direction of CALS. When a position opens in the college, administrators evaluate with departmental faculty and academic staff the type of position that should be defined to replace the departing staff member. Eventually, the department

chair and executive committee define a position that is then forwarded to the CALS administration and considered for funding along with other open positions in the college. Through these critical decisions to fill or not fill certain defined positions, the long-range direction of CALS research is focused.

Thus, the CALS GPR research budget process is primarily determined by its long-range research agenda. The agenda is implemented on an incremental basis, as unclassified positions are vacated and made available for reallocation or redefinition. Position approval is the primary tool available to the CALS administration for controlling the future direction of CALS research. Because faculty positions are tenure-track positions, these decisions have implications far into the future, particularly when young faculty members are being hired.

D. Determining the Research Agenda

There are many determinants of the CALS long-range research agenda. The most important determinant is the judgment of knowledgeable scientists about areas that constitute promising and feasible research. The evolution of scientific knowledge is the principal determinant of the research agenda. Examples of other determinants of the CALS research agenda include the following.

- The U.S. Department of Agriculture's (USDA) User Advisory Board consists of agricultural, agribusiness, and state government representatives. The board helps define emphasis areas and future funding directions for USDA research programs, which in turn influences CALS research programs.
- Agricultural experiment station directors, operating through such organizations as the Experiment Station Committee on Organization and Policy and the National Association of State Universities and Land Grant Colleges, meet frequently to assess national agricultural and natural resource research needs. The research agenda developed through their deliberations influences the CALS research agenda.
- One of the considerable strengths of a land grant institution is that it fosters close relationships between research and extension/outreach faculty. Such close relationships exist in CALS programs. County extension staff members, because of their frequent contact with farmers, agribusiness, and other research users, have a well-informed sense of the research needs that exist across the state in agricultural, natural resources, and community development.
- County staff is also influenced by elected county officials who serve on agricultural and extension committees of county boards. Structures and programs exist within extension to ensure that local concerns are communicated to campus researchers.
- The Wisconsin Agricultural Experiment Station cooperates with the USDA Cooperative State Research Service in reviewing each CALS department every five years. Review committees, composed largely of professionals from other land grant institutions; offer advice on the research direction of departments.

- Approximately half of the CALS departments have one or more advisory committees, which provide advice and guidance on research efforts. Advisory board members are drawn from all of a department's user groups, including employers, former students, county extension staff, state agency representatives, farmers, and business leaders.
- Many interdisciplinary, applied research programs have advisory panels of citizens and users who influence the CALS research agenda. Research programs funded through state-authorized marketing orders are required to have marketing board oversight of funds used for research programs. These boards work closely with the research staff in defining important research needs and advising on research project funding. Dairy product and market development, potato, cranberry, and fertilizer and lime marketing research efforts are examples of these types of research programs and advisory committees.

III. GRADUATE SCHOOL

A. Use of Funds

The 2005-06 GPR research budget for the Graduate School was \$6.0 million, which constitutes the second largest school or college research budget at the UW-Madison. The entire budget was used for salaries and wages and provided funding for 50.61 unclassified and 57.58 classified FTE research positions. All of the GPR-funded unclassified research positions in the Graduate School are non-faculty positions. The school administers several technical and specialized research centers, which provide support to departments campus-wide and employ a significant number of unclassified scientific and technical support personnel, such as instrumentation technicians and specialists.

B. Allocation/Reallocation of Funds

The Graduate School's GPR research budget is divided among four general categories or functions: legislated research programs and projects; flexible interdepartmental funds; compliance units and units that provide broad support to departments campus-wide; and interdisciplinary research centers.

1. Legislated Research Programs

Legislated research programs and projects account for approximately \$2.7 million of the Graduate School's general program operations GPR research budget. The school observes the intent and budget of the legislation authorizing these programs. These programs include the Biotechnology Center and Transfer Office, Sea Grant Institute, and the Groundwater Research program. (The Graduate School also administers the separate Industrial and Economic Development fund, which is not included in the budget total above.) Approximately 39 FTE research positions were budgeted for these programs.

2. Interdepartmental Research Support

Approximately \$1.0 million of the Graduate School's GPR research budget is allocated for general, interdepartmental research support. The funds are allocated on a competitive basis by the Faculty Research Committee to support specific research projects or activities. The committee, which is composed of 40 faculty members and includes members from all four divisional affiliations (i.e. Biological Sciences, Humanities, Physical Sciences, and Social Sciences), annually issues a request for proposals, and proposals are evaluated in a peer review process (e.g. humanities faculty members review humanities proposals). Although flexible in principle, the funds are essentially intended to function as an investment, which enables faculty members to remain current in their fields, or which provides start-up research opportunities for young faculty members. In the context of that intent, awards are made for a variety of specific purposes: as exclusive funding for a particular research project; as a supplement to a successful extramural award; or as leverage funds which finance a portion of a faculty member's time while the faculty member completes a research grant proposal. This fund was created in the 1950's and has not been subject to substantial reallocation over time. It has increased or decreased from year to year primarily as a result of standard pay plan increases, mandated budget cuts, etc.

3. Research Compliance and General Research Support

A substantial portion of the Graduate School's GPR research budget is allocated to research compliance units and general research support units. The mission of the Graduate School entails management and budget responsibilities for compliance issues associated with federally supported research programs and campus-wide research support facilities and programs. Examples of such units include the Research Animals Resources Center, the Physical Sciences Laboratory, and Biotron. The total GPR research budget for these units is \$1.3 million. GPR budgets for compliance units are based on total research effort at the UW-Madison and work complexities imposed by federal regulations. In general, research support units are expected to charge users for actual costs. Moderate subsidies have been allocated to these units in the past and are rotated among units as business levels fluctuate. The subsidies ensure continuity of operation during periods of reduced revenues.

4. Interdisciplinary Research Support

Approximately \$1.0 million of the GPR research budget is allocated primarily to classified salary support for Graduate School Interdisciplinary research units. These units include the Waisman Center, Synchrotron Radiation Center, Aquatic Sciences, Space Science and Engineering Center, Molecular Biology, Institute for Molecular Virology, and the Institute on Aging and Adult Life. The Graduate School engages in an ongoing evaluation of the units to determine whether reallocations of GPR funds are required. The school bases unit budgets on their success in competing for extramural grants and contracts, using rolling, three-to-five year averages of gift and contract expenditures, and earned overhead to determine and reallocate GPR budgets.

IV. SCHOOL OF MEDICINE AND PUBLIC HEALTH

A. Use of Funds

The 2005-06 GPR research budget in the School of Medicine and Public Health was \$2.9 million and was used entirely for salaries and wages. The school's budget provided funding for 21.77 unclassified and 42.08 classified FTE research positions and is allocated among 30 departments.

The primary purpose of the school's GPR research budget is to provide the basic infrastructure needed to conduct extramurally sponsored research. This infrastructure investment resulted in \$207.8 million of extramural research grants and contracts in 2005-06. The School of Medicine and Public Health generated the second highest amount of extramural research funding among the schools or colleges at the UW-Madison.

B. Allocation/Reallocation of Funds

1. Extramural Support Office

In allocating the GPR research budget, the Medical School's highest priority is to provide funds to its Extramural Support Office. In 2005-06, approximately \$100,000 of GPR research funds was budgeted for partial support of two academic and two classified staff members in this office. The office reviews extramural support applications before formal submission to funding agencies. Applications are reviewed for consistency with institutional and Medical School policies. Budget calculations, rate selection, personnel identification, and contract terms are also reviewed.

2. Human Subjects Review Committee

The second priority for the school's GPR research budget is the Human Subjects Review Committee. Federal guidelines require the establishment of such a committee to ensure that the rights and well-being of human subjects in medical research are protected. The committee is primarily funded by UW-Madison's Center for Health Sciences-

Administration unit. However, to help reduce the review backlog of the committee, the school annually reallocates GPR research funds to provide supplemental support.

3. Legislated Research Projects

The School of Medicine and Public Health conducts four legislated research projects: the Cancer Care Program, the Arthritis Consultation Center, Mechanical Heart Research (which excludes general research support provided by the Legislature in the 1973-74 “Advanced Programs in the Medical School” DIN), and Alzheimer’s Disease Research. The school appropriately follows the intent and budget of the legislation authorizing these projects. The combined budget for the first three projects in 2005-06 was approximately \$245,000. In 2005-06, the legislature provided additional support of \$1,000,000 to fund research on Alzheimer’s Disease.

The vast majority of the school’s GPR research budget is allocated for the infrastructure support of research programs in academic departments. A department typically allocates GPR research funds for the following support: a small portion of the department chair’s salary for administrative time dedicated to research programs; a maximum of 50 percent of the department administrator’s salary for time dedicated to research programs; salary for one FTE fiscal clerk for processing payroll and purchasing related to research and reviewing budget status reports for principal investigators; salary for one FTE secretarial or clerical position for typing grant proposals, manuscripts, research results, and correspondence related to grant activities; and a maximum of 25 percent of the salaries for as many as six faculty members, either to supplement (and/or provide match) existing extramural funding or to provide “bridge” funds while a faculty member competes for sponsored research.

C. Reallocation Flexibility

Given the volume of sponsored research generated by the School of Medicine and Public Health, its \$2.9 million GPR research budget can support only a minimal level of departmental research infrastructure requirements. Consequently, the school does not have available a significant amount of flexible funds for potential reallocation.

As is generally the case throughout the institution, the school’s principal source of GPR research funds for reallocation consists of vacated positions. The school requires that position FTEs and funding revert to the Dean upon vacancy for retirement, resignation, or termination. Vacant positions and associated funding are reallocated after reviewing position and funding requests from all departments. This process has produced net reallocations among programs (research, instruction, etc.) and departments. However, scarcity of resources across departments, and within programs, has resulted in a reallocation pattern that heavily favors departments that initially produced a vacant position and program definitions for new positions that resemble those that have been vacated.

V. COLLEGE OF LETTERS AND SCIENCE

A. Use of Funds

The 2005-06 GPR research budget for the College of Letters and Science was \$2.2 million. This amount included \$0.2 million budgeted for the LaFollette Institute for Public Affairs, which was authorized by specific legislation. The budget provided funding for 60.17 classified FTE research positions in Letters and Science departments. Departmental GPR budgets for classified research salaries ranged from \$3,700 in Anthropology to over \$327,000 in the Chemistry Department. Five departments accounted for over \$1.2 million of the classified salary total: Chemistry, Physics, the Center for Limnology, Zoology, and Psychology.

B. Allocation/Reallocation of Funds

The GPR research budget provides partial funding of core program and administrative positions for departmental research activities. These positions include financial specialists, pay and benefits specialists, fiscal clerks, and program assistants and are funded in recognition of the added administrative requirements generated by extramural gift and contract programs. GPR research budgets for departments in the biological and physical sciences tend to be larger than budgets for other departments for two reasons: (1) biological and physical science departments generate a significantly larger volume of extramural research grants and contracts and, therefore, have greater administrative support needs; and (2) these departments require specialized technical support from classified staff, whereas other departments do not. For example, research programs in the departments of Chemistry and Physics require the technical support of such positions as instrument makers, electronics technicians, and mechanics.

In general, the college maintains the core support from year to year on a relatively constant basis to ensure efficiency and continuity. However, whenever a position vacancy occurs, any research component of the position (as well as other program components) is carefully reviewed by departmental and college administrators. Reallocation of GPR research funds in the College of Letters and Science is conducted primarily through the position approval process.

VI. COLLEGE OF ENGINEERING

A. Use of Funds

The 2005-06 GPR research budget for the College of Engineering was \$.9 million and was allocated entirely for salaries and wages. The budget provided funding for 4.37 unclassified and 12.67 classified FTE research positions. This budget is divided among four general categories of research activity: research proposal development and administration; interdisciplinary and multiple user research facilities support; departmental support staff; and legislated research projects.

1. Engineering Experiment Station

The first two categories are budgeted with the College's Engineering Experiment Station, which accounts for approximately one-half of the Engineering GPR research budget. The GPR budget for the Engineering Experiment Station provides funding for the operations of the Office of the Associate Dean for Research and Graduate Programs. This office is responsible for the liaison function between college research faculty and external funding sources, proposal development, and clerical support staff. In addition, the GPR budget for the Engineering Experiment Station supports interdisciplinary and multiple user research facilities. This includes approximately seven FTE scientific and technical research staff – instrument innovators, instrumentation technicians, and assistant scientists – in three facilities. The facilities are the Materials Science Center, Center for Applied Microelectronics, and the Water Science and Engineering Laboratory. Funding for a base level of supplies, equipment maintenance, and other facilities needs is also provided. These centers and laboratories provide basic infrastructure support for the research activities of faculty members from many departments within Engineering and across campus.

2. Support Staff

The third general use of the Engineering GPR research budget is to provide partial support of clerical, and administrative and technical support staff in the departments and research program offices throughout the college. All staff members in this capacity are classified. Ten departments, excluding the Engineering Experiment Station, receive classified salary support for their research program offices and personnel. Academic departmental GPR budgets for this purpose range from \$11,000 to \$41,000. GPR funds are allocated for this purpose in recognition of the additional demands that research activities place on departmental support staff.

3. Legislated Research Projects

The College of Engineering conducts two GPR-funded, legislated research projects: Materials Engineering (Ceramics) and Engineering Quality (Manufacturing System Engineering Program and Center for Quick Response Manufacturing). The intent and budget of the legislation authorizing these projects are appropriately followed.

B. Allocation/Reallocation of Funds

With the exception of the two legislated research projects, the College of Engineering GPR research budget is limited to providing basic infrastructure support to Engineering research programs. Administrative, program, and clerical support staff responsible for managing and meeting the various demands of the research program, either with departments or across the entire college, are partially funded with GPR. Technical support staff and basic facilities support expenses in several multiple-user facilities are also funded. These functions represent basic, fixed requirements of the Engineering research program and are not subject to significant variance in the short term. As a result, the college does not exhibit substantial reallocation of GPR research funds over short time periods: funds are effectively committed to on-going needs.

However, the College of Engineering does conduct limited reallocation exercises on a continuing basis with any flexible funds that can be identified. As research opportunities become available in emerging technologies, the college makes an effort to commit start-up, matching, or leveraged GPR funds to the new research program areas. Occasionally, some flexible GPR funding becomes available as existing research programs mature to levels of self-sufficiency.

APPENDIX 3
UNIVERSITY OF WISCONSIN SYSTEM
LEGISLATED RESEARCH PROJECTS
1973-74 THROUGH 2005-06

RESEARCH PROJECTS**2005-06 BUDGET**

<u>UW-MADISON</u>	\$11,319,130
A. Advanced Programs in the Medical School	\$50,800
B. Agriculture Research Consortium/Cooperative Research	\$245,273
C. Arthritis Consultation Center	\$83,216
D. Biological Faculty Initiative	\$430,000
E. Biotechnology Center/Biotechnology Transfer	\$1,216,613
F. Cancer Care Program	\$62,100
G. Center for Integrated Ag. Systems/Sustainable Ag.	\$350,992
H. Cheese Research Institute	\$204,058
I. Family Farm Institute	\$131,044
J. Geographic Information Systems	\$108,665
K. Groundwater Research	\$250,000
L. LaFollette School of Public Affairs	\$220,949
M. Materials Engineering	\$178,300
N. Mechanical Heart Research	\$100,000
O. Nonpoint Source Pollution Control	\$147,762
P. Sea Grant Institute	\$1,202,180
Q. Small Scale Waste Systems	\$146,540
R. School of Veterinary Medicine	\$3,743,912
S. Wisconsin Idea - Engineering Quality	\$94,500
T. Industrial and Economic Development Research Fund	\$939,476
U. Distinguished Professorships	\$412,750
V. Alzheimer's Research	\$1,000,000

Note: Items T and U include fringe benefits

<u>UW-MILWAUKEE</u>	\$1,321,400
A. Grant Matching and Research Committee Awards	\$750,000
B. Great Lakes Water Institute	\$102,800
C. Research in Engineering and Technology	\$54,000
D. Technology Transfer	\$107,600
E. Milwaukee Research Plan	\$220,600
F. Research in Engineering	\$86,400

Note: Item A represents the current 101-4 budget; items B through F are actual legislated allocations over a period of 1973-74 through 2005-06

<u>SYSTEMWIDE</u>	\$1,479,438
A. Applied Research	\$479,225
B. Distinguished Professors	\$845,113
C. Solid Waste Experiment Centers, Noncompostible Landfill and Sludge	\$155,100
UNIVERSITY OF WISCONSIN SYSTEM TOTAL	\$14,119,968

APPENDIX 4 LEGISLATED RESEARCH PROJECTS

I. UW-MADISON

A. Advanced Programs in the Medical School

In 1973-74, the UW-Madison Medical School received funding for research to advance the understanding of medical applications in:

- advanced clinical care of cancer patients;
- rehabilitation of the aged;
- law enforcement pathology; and
- environmental and occupational medicine.

This funding was added to the Medical School's GPR research base to support research efforts in the prescribed areas. The funds remain in the Medical School's GPR research budget and provide base support for the Medical School's research program.

B. Agriculture Research Consortium Cooperative Research

The UW System's Agriculture and Natural Resources Consortium was established approximately 20 years ago. Its primary purpose is to foster coordination and cooperation in research and extension planning among the agriculture and natural resource programs at UW-Madison, UW-Platteville, UW-River Falls, UW-Stevens Point, and UW-Extension. The consortium promotes excellence in undergraduate and graduate training, and, through these funds, supports applied research for stronger information outreach related to agriculture and natural resources areas.

The funds are administered through the UW-Madison College of Agricultural and Life Sciences. Projects are normally established for a two-year period, subject to renewal.

To maximize the effectiveness of the research funding, consortium members target selected research areas each year. Areas that are currently emphasized include rural health and youth issues, forest landscape diversity, tourism development, and alternative agriculture products and uses of products. Each of these areas has a significant impact on the economic viability of Wisconsin's rural communities. The list of targeted research areas is reviewed periodically to respond to changing and emerging needs in Wisconsin agriculture, forestry, and tourism.

C. Arthritis Consultation Center

This project provides base support for the research program in the Arthritis Consultation Center, which is located within the Section for Rheumatic Disease at the UW-Madison Center for Health Sciences. Research efforts focus on improving diagnostic and therapeutic services to patients suffering from connective tissue diseases. In addition to

providing clinical care services and conducting related research, the Center has developed consultative, educational outreach services for physicians, hospitals, and other institutions throughout the State of Wisconsin.

D. Biology Faculty Initiative

This initiative provided continuing base salary and fringe benefit support (and one-time start up funding) for an additional eight FTE faculty members in the biological sciences. The new faculty members were placed in a variety of departments, including Genetics, Chemistry, Zoology, and Animal Health and Biomedical Sciences. Research focus of the new faculty members are interdisciplinary efforts in biotechnology and genomics.

E. Biotechnology Center/Biotechnology Transfer

The mission of the Biotechnology Center is to maximize the benefits of biotechnology to UW-Madison, the UW System, the State of Wisconsin, and the nation by supporting, coordinating, advancing, and disseminating biotechnology and related activities.

The Center operates five service facilities that provide state-of-the-art shared services, equipment, and trained personnel to support campus research and the research needs of Wisconsin biotechnology businesses. The service facilities include Protein/DNA Sequence/Synthesis, Protein Purification, Transgenic Mouse, Hybridoma, and Bioinformatics.

The Biotechnology Center also conducts its own research program. Current research efforts include projects on enzyme engineering, plant biotechnology, and methods development. In addition, the Center has formed multidisciplinary applied research consortia in the areas of biopulping and bioremediation. The Center is forming new consortia in the areas of biomaterials and bioscience.

The Biotechnology Center also disseminates knowledge, information, and technology to state government agencies, businesses, and educational institutions through active technology transfer and public education efforts.

The Biotechnology Transfer Office was established to improve interactions between Wisconsin's biotechnology business community and Wisconsin universities. The Office, which is part of the Biotechnology Center, initiated a three-tiered approach to improve interactions with Wisconsin Industry. This approach includes:

- **Wisconsin Businesses Newsletter.** The monthly newsletter reports on news and information that is important to Wisconsin's biotechnology community; provides a chronicle of the issues, events, and growth of the biotechnology industry in Wisconsin; and includes regular articles on legislative activities relevant to biotechnology, company profiles, investment and partnership opportunities, research highlights and technology briefs, etc. The newsletter is intended as an informational and marketing tool both inside and outside of Wisconsin. It is sent to biotechnology companies, state biotechnology agencies, legislators, and researchers. At present, there are approximately 3,000 recipients of the newsletter.

- **Wisconsin Biotechnology Company Database.** The newsletter and direct interactions with companies enable the Biotechnology Transfer Office to compile current and comprehensive information about biotechnology firms in Wisconsin. A database has been created that enables the Office to monitor the industry, its needs, and its growth.
- **Interaction with Business and Government Agencies.** The Biotechnology Transfer Office is an important university interface with the Wisconsin biotechnology business community. The Office provides businesses with information, referral to appropriate sources of expertise, and connections and introductions. The Office regularly visits companies to gather information and inform them of available assistance. It also actively supports the efforts of the following agencies/groups: the Governor's Task Force on Science and Technology, its Biotechnology Task Force and several task-force subcommittees (marketing, education, databases); the Department of Development; Forward Wisconsin; and Dane County government.

F. Cancer Care Program

The community cancer care program, which is part of the UW-Madison Center for Health Sciences, provides multiple services to the public, physicians, and other health care professionals. Examples include the Cancer Prevention Clinic, Wisconsin Oncology Group, Cancer Nursing Newsletter, and Cancer Information Service. The program conducts cancer research studies on such topics as smoking cessation and epidemiology. Because over 80 percent of cancer patients are treated in their home communities, a primary goal of the program is to disseminate information statewide about cancer prevention and treatment.

G. Center for Integrated Agricultural Systems/Sustainable Agriculture

The Center for Integrated Agricultural Systems was established to provide research and extension programs that address issues involving agricultural profitability, environmental quality, and linkages to rural communities. These programs are conducted by the Center's faculty and staff in collaboration with Wisconsin farmers and other Wisconsin citizens, who participate on an advisory council to the Center.

In conducting research projects, the Center assembles interdisciplinary research teams from the faculty of the four UW-System agricultural colleges, and involves Wisconsin farmers. Recent projects include: comparisons of alternative dairy farming methods and cropping systems; alternatives to pesticide use in potato production; verification of using legumes and soil tests to reduce nitrogen use; and an examination of the value of groundwater to central Wisconsin residents. Current activities are focused on developing case studies for research, various research projects related to intensive rotational grazing, and dairy systems and socio-economic implications of biotechnology.

The Center published and distributed a teacher's guide to sustainable agriculture for use in high school agriculture curricula. The Center also coordinates graduate work and research in sustainable agriculture, and is developing related capstone graduate and undergraduate seminars.

H. Cheese Research Institute

The research program of the Cheese Research Institute provides the Wisconsin dairy industry with current information on the economics, processes, and techniques of cheese production and distribution. Because the market for cheese products has become increasingly segmented (both in terms of cheese types and consumers), it is important that Wisconsin producers have up-to-date information on production technologies and consumer preferences. Examples of recent research efforts include:

- the development of a “user-friendly” economic engineering model designed for use by cheese plant managers to maximize the profitability of large or small dairy plants;
- a study of the factors affecting physical characteristics of cheeses;
- a study of the correlation between milk quality parameters and the economics of cheese production;
- studies on controlling and enhancing flavor and body characteristics of low-fat and low-sodium cheeses;
- an analysis of consumer preferences regarding surface color of commercially smoked cheddar and swiss cheeses; and
- twelve interrelated projects that focus on flavor control, mechanisms of flavor development, and the measurement of flavor compounds. These projects analyze the effects of selected bacteria and enzymes on control and enhancement of cheese flavor, quality, and intensity.

I. Family Farm Institute

The Agricultural Technology and Family Farm Institute (ATFFI) was established to conduct research and extension/outreach on the relationships between technology and family farms. The purposes of the ATFFI are to:

- evaluate the effects of new technology, state and federal policies, and other factors on family farm agriculture;
- recommend policies to take advantage of new technologies and mitigate disadvantages;
- assist farmers in meeting the challenges of new technologies; and
- ensure that farmers have access to new technologies.

Examples of current research efforts include:

- a feasibility study of a “marketing agency in common” for milk (and the benefits, costs, and consequences for family dairy farmers);
- construction of a conceptual scheme for inventorying relationships between biotechnology and sustainable agriculture;
- a case study of the legal, policy, and commercialization options associated with innovative scientific approaches to directing biotechnology research to local agro-ecological conditions; and
- a case study of organizational problems and options in small horticultural production and marketing cooperatives.

J. Geographic Information Systems

The State Legislature and the UW-Madison have entered into a collaborative arrangement to produce an integrated system that incorporates geographical information software programs, U.S. Census data, and State Elections Board data. The project was designed to aid the Wisconsin Legislature in the decennial redistricting process and to give researchers and members of the public access to spatial and tabular data from the 1990 census. UW-Madison's Land Information and Computer Graphics Facility are coordinating the project.

The project's long-term goal is to provide access to data from the 1990 census to researchers who need information on geographic factors. This data will include all publicly available data for Wisconsin. Other states will be included, as the geographic data becomes available.

K. Groundwater Research

The Groundwater Research Program was established to conduct research on groundwater problems in the State of Wisconsin. The program provides funding for individual research projects. Input into the selection of individual research projects is provided by the Groundwater Research Advisory Council, which is appointed by the UW-Madison Chancellor to advise the program, and the Groundwater Coordinating Council of the State of Wisconsin, a legislatively mandated State council having broad responsibility for coordinating groundwater-related problems in Wisconsin. Projects recently selected for funding were divided into five general categories of groundwater research:

1. Mathematical modeling of groundwater contaminant transport;
2. Sorption reactions which retard contaminant movement to groundwater;
3. Movement of water and contaminants to and through groundwater;
4. Remediation of contaminated soils and waters; and
5. Economic effects of groundwater contamination.

L. LaFollette School of Public Affairs

The budget amount shown above (Appendix 3) includes only the portion of the LaFollette School of Public Affairs GPR funds that are budgeted for research activities. The LaFollette Institute also has GPR funding for public service and instruction.

In 2005-06, the LaFollette School continued policy research and public service programs and also inaugurated new programs. These programs promote the examination of public policies and public institutions, thereby affecting policy-making in the state and the nation. Programs include basic and applied research by individual scholars and teams of scholars and/or practitioners; policy development based on research already completed; and specific and immediate information and seminars, publications, and colloquia designed both to disseminate research results and to stimulate analysis and evaluation.

State GPR funds are used for staff support (faculty release time, graduate research and project assistants, professional and support staff), production and dissemination of publications, and other operating costs.

M. Materials Engineering

The economic future of product-oriented companies in consumer and capital goods industries depend heavily on the understanding and use of newly engineered materials. Materials processing in Wisconsin has traditionally emphasized heavy industrial metals. However, in order to remain viable and economically competitive, many Wisconsin industrial concerns are expanding into high-technology non-metal applications involving ceramic, semiconductor, and superconductor materials. Advanced materials offer an extraordinarily wide range of physical properties, flexible processing, and substitution of inexpensive abundant materials for expensive or rare ones. Wisconsin industry has long been a leader in low-technology materials application, but advanced applications will provide opportunities for new industrial growth. The College of Engineering used these funds to hire two faculty with advanced materials expertise. This enabled the College to establish a communication and research link, related to advanced materials, with Wisconsin industry, and to obtain federal research funds that are available for materials research. This expansion of the materials programs in the College of Engineering contributes to industrial competitiveness and productivity in Wisconsin.

N. Mechanical Heart Research

The Cardiology Department of UW-Madison's Medical School was allocated funds for the Milwaukee heart project, which involves the building and testing of working prototypes of fully implantable mechanical hearts. The expenditure of these funds requires matching funds from private contributions.

O. Nonpoint Source Pollution

The nonpoint source pollution project is a continuing program, which provides current best-management information and develops a database for establishing priorities in nonpoint source pollution control. The project also supports demonstration and educational activities. The objectives of the project are to evaluate:

- the effectiveness of agricultural practices in reducing the potential for water pollution from sediment, nutrients, and pesticides;
- the effects of selected soil and crop management practices on runoff and water quality in watersheds, where stream monitoring programs are administered by the U.S. Geological Survey and the Wisconsin Department of Natural Resources; and
- on a whole farm basis, the social and economic factors which govern the adoption of best-management practices to reduce nonpoint source pollution.

Current research efforts include:

- the investigation of the effects of irrigation management and tillage on pesticide movement in alluvial sands and investigation of the movement of atrazine and alachlor with field-installed lysimeters in alluvial sands;
- the evaluation of the effect of tillage systems for soil erosion control and water quality during establishment of alfalfa;
- the measurement of changes in soil properties as influenced by corn production tillage practices;
- the evaluation of the use of recycled paper for urban and highway soil erosion control;
- the evaluation of soybean production practices which minimize soil erosion and maintain water quality in the non-glaciated region of Wisconsin;
- the measurement of runoff, nutrient and pesticide losses from constructed soils to develop practices for urban lawn construction; and
- the determination of the importance of having grass included in a forage production system to minimize soil erosion and nutrient losses to surface waters.

P. Sea Grant Institute

The Sea Grant Institute is dedicated to the wise use and development of Great Lakes and ocean resources. Although the Sea Grant Institute is headquartered on the UW-Madison campus, the Wisconsin Sea Grant Program operates systemwide and is statewide in scope. Research projects conducted by the Institute focus on helping to:

- solve Great Lakes water quality problems;
- improve sport and commercial fisheries;
- promote aquaculture development;
- develop methods to assess potential effects of climate change on the Great Lakes;
- respond to the introduction of nuisance exotic species into the Great Lakes; and
- stimulate the economic development of coastal communities and Great Lakes-related industries.

State GPR funding is used to provide the required one-third match for the federal funding the Sea Grant program receives, and to support research and public advisory activities on toxic substances in the Great Lakes and the aquatic environment.

Q. Small Scale Waste Systems

The primary objective of the Small Scale Waste Systems project is to conduct research of low-cost sewage systems for problem soils. In particular, the research addresses small wastewater flows that are primarily domestic and non-hazardous. Current research emphasis focuses on two major areas, including the treatment of wastewater by soil and through pretreatment (prior to soil infiltration), and the disposal of wastewaters by infiltration systems of various design. In addition to research, project members provide training and advising to professionals and Wisconsin residents.

R. School of Veterinary Medicine

The School of Veterinary Medicine's GPR research funding is a portion of the School's total start-up and operating budget, which was provided by the State of Wisconsin in order to establish a veterinary medical school at UW-Madison. In the 1978 "Report of the University of Wisconsin System to State Government on Veterinary Medicine," the full costs of operating a veterinary school were identified by four major cost components, including academic programs, teaching hospitals, library, and facility operating costs. Biennial budget requests for the incremental funding of the School of Veterinary Medicine's operating budget further separated the academic program budget into instruction and research activities. The breakdown between instruction and research reflected the anticipated activity of the faculty in teaching and research, and related support costs of those activities. In 1991-92, GPR research funding at the School was apportioned as follows:

- 45 percent for faculty salaries (individual salaries range from 10 percent to 40 percent on research funds);
- 21 percent for graduate assistant/trainee stipends;
- 16 percent for research support personnel;
- 15 percent for shared support resources (animal care, histopathology, electronmicroscopy, etc.); and
- 3 percent for administration through the Office of Research and Graduate Training.

S. Wisconsin Idea – Engineering Quality

Research funds are used to strengthen the operation and utilization of College of Engineering facilities and programs in manufacturing systems engineering in service to Wisconsin and its large manufacturing industry. The UW-Madison Manufacturing Systems Engineering Program, and the related Center for Quick Response Manufacturing, continue their important role of leadership in manufacturing teaching and research. The MSE Master's degree program provides hands-on manufacturing experience using state of the art robotics-controlled manufacturing cells and integrates other technical and managerial skills required by the competitive standing of modern manufacturing firms.

Quick Response Manufacturing is a strategy to cut lead times in all phases of manufacturing and office operations, bringing products to market more quickly and helping businesses compete in a rapidly changing manufacturing arena. Industry leaders and university faculty formed this partnership to consolidate the discussion and investigation of Quick Response Manufacturing. From an initial core group of companies, membership has grown to include nearly 40 manufacturers of various sizes, products, and locations. Center members have the opportunity to not only remain on the cutting edge of manufacturing, but to create it.

T. Industrial and Economic Development Research Fund

The Industrial and Economic Development Research Fund (UW-Madison Fund 118) supports faculty research projects that show potential for stimulating economic

development in Wisconsin and plan for implementation or transfer of technologies which result from such research projects. Since its creation, the Fund has provided support for the following research topics:

- the transfer of biotechnologically based pest control technologies to the fiber and bioenergy industries;
- the State of Wisconsin's cultural, historical, and environmental contribution towards the successful developing, manufacturing, and marketing of good product design;
- polysaccharide gums from whey permeate for food and industrial use;
- low-noise electronics for sensors;
- development of a permeable wall-closed loop humidity control system;
- analysis and evaluation of advanced bicycle frame design and manufacturing – a joint research effort of UW-Madison and Trek Bicycle Company;
- improved lifetime of die-casting molds by plasma source ion implantation;
- off-resonance spin-locking technique for high-field magnetic resonance imaging; and
- development with Tracor/Northern of a real-time, confocal laser-scanning microscope for three-dimensional and four-dimensional (three-dimensional-versus-time) imaging.

U. Distinguished Professorships

The Wisconsin Distinguished Professorship program is designed to recognize and support professorships in areas of vital or emerging economic significance to the State of Wisconsin. A Wisconsin distinguished professor is an individual whose scholarship and service can demonstrate potential impact on Wisconsin's economy and who would be judged as outstanding by peers and the public alike. The state's funding contribution to each professorship must be matched with private money during the individual's five-year program appointment. The private match is used for research support and may be combined with institutional funds to support the remainder of salary and benefits costs, and associated costs of research.

V. Wisconsin Initiative for Alzheimer's Research

The Wisconsin Initiative for Alzheimer's Research is working to improve public health by identifying the underlying causes of Alzheimer's disease and developing potential treatments and methods of prevention. UW-Madison is coordinating its efforts with other researchers in the state. Research on this disease is important to this state because the number of Wisconsin residents affected by Alzheimer's is expected to grow by 58% over the next 25 years. The results of these studies can reduce the economic and social costs of this disease.

II. UW-MILWAUKEE

A. Grant Matching and Research Committee Awards

The Graduate School provides grant-matching funds, in the form of research assistantship salary support and equipment support, to foster the extramural funding of faculty research and creative activity. A portion of the present budget of \$750,000 was historically allocated as legislated funding. Using resources on a revolving basis, the Graduate School Research Committee provides limited funding to selected (and primarily junior) faculty to initiate new research.

B. Great Lakes WATER Institute

Historically legislated funding of \$102,800 for the Great Lakes Research Facility comprises a portion of the current funding for the UW-Milwaukee Graduate School WATER Institute to maintain the research facilities and enhance capabilities related to environmental and aquatic research. The WATER Institute provides the infrastructure necessary for the research tenants. The Institute provides faculty and research staff members with research opportunities directly related to the UW-Milwaukee Strategic Plan. Tenants include the Center for Great Lakes Studies, the Aquaculture Institute, the NIEHS Marine and Freshwater Biomedical Sciences Center, a Wisconsin Sea Grant office, and two Wisconsin Department of Natural Resources units.

C. Research in Engineering and Technology

The historical allocation in 1985-86 of \$54,000 for research in engineering and technology continues to be used to increase the ability of the College of Engineering and Applied Science to encourage collaborative research between UW-Milwaukee faculty and research employees in Milwaukee business and industry. The allocation is used to foster collaborative research on a wide variety of applied research projects.

D. Technology Transfer

Since receiving an allocation of \$107,600 in 1983, the Graduate School continues to be dedicated to fostering collaborative research between UW-Milwaukee faculty and the Milwaukee area industrial community, transferring technology from the university into commercial processes and products, and developing the intellectual property of the faculty through licenses and patents. Funding is provided to support these activities through the Graduate School Office of Research Services and Administration.

E. Milwaukee Research Plan

UW-Milwaukee received \$220,600 in the 1980s to support the Milwaukee Research Plan. The School of Business Administration received \$65,800 in 1985-86 and \$90,600 in 1987-88 for its applied research services to the Milwaukee business community. The initial use of the funding was to develop centers to enable faculty and staff to increase the competitive capabilities of business, primarily in southeastern Wisconsin, through teaching and research. The emphasis is on creating effective linkages between

UW-Milwaukee and the business community. These activities continue through the SBA Bostrom Center for Business Competitiveness, Innovation and Entrepreneurship. The Center serves as an interdisciplinary applied research center to identify, evaluate, and disseminate techniques, strategies, philosophies, and policies that enhance the business competitiveness of firms, and the vitality of innovation and entrepreneurship.

In addition to the activities of the School of Business Administration, funding is being utilized by the Graduate School and the College of Engineering and Applied Science. The Graduate School funding is used to increase collaboration between UW-Milwaukee faculty and the Milwaukee business community. The initial allocation of \$17,500 in 1987-88 was used for a collaborative research project sponsored by the UW-Milwaukee Center for Great Lakes Studies and Milwaukee County. Since that time, the Graduate School Office of Research Services and Administration has utilized funds for a series of productive collaborative research projects between UW-Milwaukee and Milwaukee area companies.

The Graduate School created the Advanced Analysis Facility in 1992 to serve the UW-Milwaukee scientific community as well as regional industry by providing UW-Milwaukee faculty expertise combined with a unique array of scientific instrumentation, which in combination can be effectively applied to solving applied research problems. Research funding is being utilized by the AAF to assess problems and develop solutions that make industrial partners more competitive. Recent company partners include: Johnson Controls, S.C., Johnson Wax, Benz Oil, Allen Bradley, and W.H. Bradley.

The 1987-88 Milwaukee Plan research allocation included \$46,700 that is used by the College of Engineering and Applied Science to support faculty research in the areas of quality assurance and automated manufacturing.

F. Research in Engineering

Historical funding of \$86,400 was originally provided to facilitate research in the College of Engineering and Applied Science in the areas of design, development, and manufacturing of metal matrix composites. This scope has been expanded and the allocation is presently used to foster applied engineering activities throughout the College.

II. SYSTEMWIDE

A. Applied Research

This program provides funding for UW System institutions for research addressing specific problems faced by Wisconsin industries. Details regarding this program are provided in a separate biennial report to the State.

B. Distinguished Professors

This funding provides partial support for 20 Distinguished Professor positions in the University of Wisconsin System. The GPR funding is matched by an equal or greater match from businesses and/or other non-GPR sources. At the end of the 2005-06 fiscal year, this funding supported nine professors at UW-Madison, eight at UW-Milwaukee, one at UW-Stevens Point, and one at UW-La Crosse. An annual fiscal report is provided for this program.

C. Solid Waste Experiment Centers, Noncompostible Landfill and Sludge.

This program provides funding to UW System institutions for research into the alternative methods for the disposal of solid waste. Details regarding these programs are provided in a separate annual report to the State.

UNIVERSITY OF WISCONSIN SYSTEM

2006 PUBLIC SERVICE REPORT

UNIVERSITY OF WISCONSIN SYSTEM PUBLIC SERVICE**I. OVERVIEW**

The University of Wisconsin System's 2005-2006 GPR public service budget was \$64.5 million (Table 1). UW-Extension's budget accounts for the majority of the public service funding (68.6%). The University's budget for extension and public service activities in FY 2005-2006 included \$1,793,962 for special legislated projects, and \$62,667,592 for ongoing programs. This report covers direct public service activities and excludes other activities (e.g. institutional support, research, physical plant, etc.) that are in support of public service.

TABLE 1
PUBLIC SERVICE GPR FUNDING BY INSTITUTION
2005-2006 FISCAL YEAR

Madison	\$ 15,627,138	24.2%
Milwaukee	2,181,164	3.4%
Comprehensives and Colleges	2,332,249	3.6%
Systemwide	98,951	0.2%
Extension	<u>44,222,052</u>	<u>68.6%</u>
Totals	\$ 64,461,554	100.0%

Extension faculty and staff, based in UW-Extension, on every campus of the UW System and in county extension offices throughout the state, develop and teach extension programs. To fulfill its mission, UW-Extension develops statewide plans and priorities based on the emerging needs affecting individuals, families, labor, business, agriculture, youth, the environment, the economy, communities, the professions, and senior citizens. Planning involves faculty and staff, public representatives, cooperating agencies, and clientele groups. These plans are the basis for reallocating base funds from lower to emerging higher priorities. UW-Extension also meets the needs of public service through legislated projects. Appendix 1 illustrates the 2005-2006 legislated projects.

The four UW-Extension programming units develop operating budgets including base funding and legislated or other special projects. The programming units are:

- Cooperative Extension
- Outreach and E-Learning Extension
- Broadcasting and Media Innovations
- Business and Manufacturing Extension (including the Small Business Development Center and the Wisconsin Entrepreneurs' Network)

Appendix 2 details the planning processes of each UW-Extension division.

II. UW-EXTENSION MISSION

Through the University of Wisconsin-Extension, all Wisconsin people can access university resources and engage in lifelong learning, wherever they live and work.

Fundamental to this mission are UW-Extension's partnerships with the 26 UW campuses, the county and tribal governments, and other public and private organizations. Fulfilling the promise of the Wisconsin Idea, UW-Extension extends the boundaries of the university to the boundaries of the state and helps the university establish mutually beneficial connections with all its stakeholders.

For millions of Wisconsin individuals, families, businesses and communities, UW-Extension is the doorway to their public university, enabling them to:

- Achieve personal growth, professional success and organizational effectiveness through formal and informal learning;
- Address the changing needs of the state and society by applying relevant university research; and
- Gain greater access to educational, cultural and civic resources through the use of technologies.

In addition, UW-Extension supports the University of Wisconsin System mission by:

- Providing strong leadership for the university's statewide public service mission;
- Integrating a scholarly approach to outreach across many academic disciplines; and
- Addressing the specific educational needs of under-served, disadvantaged, and non-traditional students.

III. THE RELATIONSHIP BETWEEN BASE PROGRAM FUNDS AND SPECIAL LEGISLATED PROJECT FUNDS

Investments in base program funds are constantly re-examined within UW-Extension to meet emerging priority needs defined through regular planning and priority-setting processes, as well as through special projects. In addition, program changes are made as faculty annually evaluate and refocus their program emphases and directions as described in Appendix 2. Both these means are essential for extension programs to remain relevant and responsive.

Appendix 3 offers selected examples of how base funds were reallocated in FY 2006 to meet changes in priority needs.

Sometimes, however, base reallocations are not sufficient to meet emerging priority needs associated with new legislation, societal change and critical new issues. In these cases, special project funds are requested to support emerging priorities that require

funding beyond the institution's capacity to respond through base reallocation. Often, ongoing programs basic to core activities must be sustained, faculty talents in a high-priority field may be fully committed and unavailable for reallocation, or new faculty expertise and skills may be required.

Usually, the issues and needs requiring legislated special-project funding are of such magnitude that they require long-term programming. For example, innovative programs in Water Quality, Waste Management, Sustainable Agriculture and Manufacturing Technology Transfer, all of which emerged as critical priority issues in the 1980s, required long-term investments in sustained educational programs that made a significant impact over time. Just as base programs are not static, programs in legislated special project areas change to address emerging issues. For example, in Dairy Profitability, priority emphases at any given time may fluctuate from milk quality to marketing orders to input cost reductions.

Legislated special project funding is only part of a long-term commitment to sustain high-priority initiatives. UW-Extension reallocates base funds to augment legislated special-project funding for new programs, and integrates special projects with base programs to assure they are part of ongoing statewide educational efforts. Uniting legislated special projects with base programs assures better identity and acceptance, access, continuity, and stewardship of financial and personnel resources. Legislated special-project funds remain committed to the programs for which they were allocated and retain their budget and program identity, however special projects do not stand alone. They become part of a comprehensive educational program accessible to people throughout the state and adaptable to local needs.

Appendix 4 describes and links UW-Extension's legislated and other special projects to the institution's base program areas.

**APPENDIX 1
UNIVERSITY OF WISCONSIN SYSTEM
PUBLIC SERVICE LEGISLATED PROJECTS
2005-2006 FISCAL YEAR**

<u>PROJECT TITLE</u>	<u>ALLOCATION</u>
COOPERATIVE EXTENSION:	\$1,068,110
Community Economic Analysis	74,759
Center for Economic Development	92,194
Rural Development Institute	26,675
Biotechnology Education (BioTrek)	78,495
Farm Financial Management	76,842
Dairy Profitability Center	248,391
Agricultural Technology & Family Farm Institute	129,448
Nutrient & Pest Management	275,739
Local Planning Grant	65,567
 OUTREACH AND E-LEARNING EXTENSION:	 \$725,852
Minority Entrepreneurship	88,866
School for Workers	148,710
Manufacturing Technology Transfer	229,105
Educational Technology	86,305
Solid and Hazardous Waste Education	172,866
<hr/>	
UNIVERSITY OF WISCONSIN SYSTEM TOTAL:	\$1,793,962

APPENDIX 2

UW-EXTENSION PLANNING & BUDGETING PRACTICES

To meet its mission responsibilities, UW-Extension leads the development of statewide plans that provide the policy framework for identifying program needs, assigning relative priorities, and making budget allocations and reallocations. The institution's program planning and budget guidelines link programs, budgets and changes. Each UW-Extension division follows an internal budget and program-planning process within this institutional model.

A. Cooperative Extension

Cooperative Extension plans on a four-year cycle, with 2004-2008 being the current cycle. Planning involves faculty and staff, public officials, business, labor, cooperating governmental agencies, agriculture and agri-business and other citizen representatives. The four-year plan defines community-based priorities and special needs. These needs are correlated with personnel and fiscal resources, with reallocations made where appropriate. Some reallocations involve no budget modifications, as faculty and staff shift their programmatic direction. Other changes involve both budget and position reallocation to support the changing needs identified in the strategic plan.

B. Outreach and E-Learning Extension

Outreach and E-Learning reallocates resources annually in a priority framework, defined by the strategic plan it develops every five years. In 2005, Outreach and E-Learning and the Continuing Education Extension Council (CEEC), composed of the continuing education deans and directors from each UW institution, began working on the division's five-year strategic plan. The strategic plan, "Addressing Critical State Needs" was completed and published in March 2006. The deans and directors at the institutions agreed on the shared vision and directions that will enable them to develop campus-specific five-year plans that align with the statewide strategic plan. While allowing for planning to occur at the institutional level, the statewide plan serves as the overarching direction for programs, services, and partnerships. The division's commitment to lifelong learning is based on the belief that its clients can best meet the challenges of success today if they have opportunities for learning throughout their life spans. On an annual basis, Outreach and E-Learning uses an interactive process in the development of inter-institutional budgets to initiate, define and discuss changes to ongoing programs or to meet emerging needs.

C. Broadcasting and Media Innovations

Strategic planning in Broadcasting and Media Innovations differs in its approach, but not in its objectives, compared to other UW-Extension divisions. This division works closely with its partner in Wisconsin public broadcasting, the

Wisconsin Educational Communications Board (ECB), to define strategic direction in educational areas and to define regional programming needs throughout Wisconsin. The Division continuously evaluates the effect of programming through audience surveys and other methodology. It also responds to demands for programming support, delivery outlets and production facilities by faculty and staff of the UW System. Detailed programming is scheduled annually, as educational, instructional and cultural programs are modified to meet public and professional priorities. Resources are moved annually from lower to higher priority programs.

D. Business and Manufacturing Extension

Business and Manufacturing Extension activities include those of the Wisconsin Small Business Development Center (SBDC) program, the Wisconsin Entrepreneurs' Network, and those that relate to Business and Industry or executive management education.

The Small Business Development Center allocates resources based on its current "Strategic Plan/Operating Plan" and the current U.S. Small Business Administration/SBDC Cooperative Agreement. The Strategic Plan outlines broad strategic direction paths the SBDC must travel to reach its vision to connect entrepreneurs and small business owners with knowledge, tools and resources. The Plan is the result of a multi-phased organizational process involving volunteers, SBDC staff, and SBDC's varied stakeholders.

Assessments of service delivery are conducted throughout the year to identify improved ways to serve customers, and impact surveys are conducted annually.

The SBDC receives approximately \$1.5 million from the U.S. Small Business Administration (SBA). The SBA/SBDC Cooperative Agreement is negotiated with the SBA, with the SBDC Strategic Plan as the heart of the Agreement. Individual campus goals are negotiated annually in support of the SBA/SBDC Cooperative Agreement.

The Wisconsin Entrepreneurs' Network (WEN) began in FY05 as a result of funding received from the Wisconsin Department of Commerce, which included legislative funding. WEN, a network of over 70 organizations, provides statewide support to entrepreneurs in all industries and stages of development. Administered and managed by Business and Manufacturing, organizations sign WEN Partnership Agreements agreeing to use a common client management system, semi-annual evaluations by clients regarding the assistance provided, and annual impact surveys. WEN organizations are included in the "resource provider" a part of the WEN web site (wenportal.org) that assists entrepreneurs, starting a business or in business, in finding the appropriate organization(s) to provide them guidance.

Business and Industry/executive management education long-range planning and annual reviews are conducted as part of the annual inter-institutional agreement process. General directions for the overall programs are set and relevant goals are identified. Changes during the planning period also can occur.

APPENDIX 3
PROGRAM REALLOCATIONS IN FY 2006
(Selected List)

Reallocated From:	(Institution/Division/Program)
Priority Investment:	(Institution/Division/Program)
Amount:	(Funding and FTE)

1. From: Cooperative Extension Land Use Specialist (Regional Position)
To: Cooperative Extension Water Quality Position Support
Amount: \$49,207 1.00 FTE

To support higher priority needs in the Community, Natural Resources and Economic Development (CNRED) program.

2. From: Cooperative Extension Media Specialist position
To: Cooperative Extension Information Processing Consultant position
Amount: \$16,979 0.45 FTE

To support higher priority need within Program Development unit.

3. From: Cooperative Extension Outagamie Family Living Agent
To: Cooperative Extension
Amount: \$8,753 0.30 FTE

To support other Coop Extension priority needs.

4. From: Cooperative Extension Unallocated Resources
To: Cooperative Extension Milwaukee County Director position
Amount: \$70,000 1.00 FTE

To support Coop Extension's largest county.

5. From: Cooperative Extension CNRED program
To: UW-Madison CALS Urban & Regional Planning
Amount: \$68,500 1.00 FTE

To support CNRED programmatic needs.

6. From: Cooperative Extension Waukesha County 4-H agent
To: Cooperative Extension
Amount: \$35,212 0.60 FTE

To support other Coop Extension priority needs.

7. From: UW-Madison, CALS Life Sciences Communication
 To: Cooperative Extension CNRED program
 Amount: \$64,154 1.00 FTE

On hold pending further programmatic evaluation and final decisions on budget reductions.

8. From: UW-Madison CALS Soil Science
 To: Cooperative Extension CNRED program
 Amount: \$62,024 0.80 FTE

On hold pending further programmatic evaluation and final decisions on budget reductions.

9. From: Cooperative Extension Dean's Office – Classified position
 To: Cooperative Extension
 Amount: \$16,682 0.65 FTE

To support other Cooperative Extension priority needs.

10. From: Outreach and E-Learning Extension
 To: UW- Milwaukee School of Education
 Amount: \$94,069 1.60 FTE

To support collaboration between UW-Extension and UW-Milwaukee School of Education, Milwaukee Public Schools, and the teachers' union in the Metropolitan Milwaukee Teacher Education program.

11. From: WHA - Programming UWEX Broadcasting and Media Innovations
 To: WHA-Radio - Development
 Amount: \$24,353 0.50 FTE

To support the major giving effort of WHA-Radio.

12. From: WHA-TV Production UWEX Broadcasting and Media Innovations
 To: WHA-TV General
 Amount: \$39,305 and .60 FTE

To support grant writing.

13. From: UWEX Business and Manufacturing, Small Business Development Center (SBDC)
To: UW-Eau Claire SBDC
Amount: \$7,000

To provide additional support for the delivery of SBDC services.

14. From: UWEX Business and Manufacturing, Small Business Development Center (SBDC)
To: UW-Green Bay SBDC
Amount: \$2,500

To provide additional support for the delivery of SBDC services.

15. From: UWEX Business and Manufacturing, Small Business Development Center (SBDC)
To: UW-La Crosse SBDC
Amount: \$7,500

To provide additional support for the delivery of SBDC services.

16. From: UWEX Business and Manufacturing, Small Business Development Center (SBDC)
To: UW-Madison SBDC
Amount: \$7,000

To provide additional support for the delivery of SBDC services.

17. From: UWEX Business and Manufacturing, Small Business Development Center (SBDC)
To: UW-Milwaukee SBDC
Amount: \$4,500

To provide additional support for the delivery of SBDC services.

18. From: UWEX Business and Manufacturing, Small Business Development Center (SBDC)
To: UW-Oshkosh SBDC
Amount: \$3,500

To provide additional support for the delivery of SBDC services.

19. From: UWEX Business and Manufacturing, Small Business Development Center (SBDC)
To: UW-Parkside SBDC
Amount: \$4,000

To provide additional support for the delivery of SBDC services.

20. From: UWEX Business and Manufacturing, Small Business Development Center (SBDC)
To: UW-Platteville SBDC
Amount: \$3,000

To provide additional support for the delivery of SBDC services.

21. From: UWEX Business and Manufacturing, Small Business Development Center (SBDC)
To: UW-Stevens Point SBDC
Amount: \$8,000

To provide additional support for the delivery of SBDC services.

22. From: UWEX Business and Manufacturing, Small Business Development Center (SBDC)
To: UW-Superior SBDC
Amount: \$4,500

To provide additional support for the delivery of SBDC services.

23. From: UWEX Business and Manufacturing, Small Business Development Center (SBDC)
To: UW-Whitewater SBDC
Amount: \$6,000

To provide additional support for the delivery of SBDC services.

APPENDIX 4

PROGRAMS AND SPECIAL PROJECTS

UW-EXTENSION PROGRAMS AND LEGISLATED PROJECTS

I. OVERVIEW

Each of UW-Extension's divisions divides its activities among broadly defined program areas. Cooperative Extension and Outreach and E-Learning Extension have special legislated projects, which complement these divisions' program thrusts. This appendix briefly describes the divisions' major program areas and identifies any special legislated projects associated with each.

II. COOPERATIVE EXTENSION

Cooperative Extension's faculty and staff develop programs that help people understand and use knowledge and research from the University. Its county staff, supported by designated faculty and staff of UW System institutions who have collaborative appointments with UW-Extension, bring university resources to meet local needs. Institution-based faculty and staff conduct applied research and interpret knowledge in their specialties through programs and activities coordinated by UW-Extension, and teach in collaboration with county faculty and staff. Cooperative Extension has four program areas.

A. Community, Natural Resources, and Economic Development (CNRED)

CNRED programs help people set goals, make decisions, and develop sound local public policies; build strong communities and neighborhoods; strengthen local economies; provide good jobs and essential services; and balance economic growth and environmental quality issues. Special projects in this program are:

- **Community Economic Analysis:** A joint project of UW-Madison and UW-Extension (\$74,759 GPR), provides information and analysis concerning the economic characteristics and structure of Wisconsin communities to University faculty and staff, county-based community faculty, area agents and community representatives working on economic development issues. Project funds support community development specialists who collect and analyze information, prepare graphs, overheads, and other educational materials, and work with Extension faculty in program delivery. The need for this support will continue because there is a great demand for up-to-date information from Wisconsin communities that are facing issues affected by the dynamics of the local, state, national and international economies.
- **Regional Center for Economic Development:** This effort involves three projects at the UW-Superior Center for Economic Development (\$92,194

GPR), and the UW-River Falls Rural Development Institute (UWEX \$26,675 Fund 104). Each project provides resources that support regional economic development activities. These carrier programs complement those funded with ongoing resources, providing a regional network of support for community development. This combination of ongoing and special-project funding supports research and program delivery capabilities beyond those supported by special project funds, demonstrating the synergistic relationship between special projects and core programs.

- **Local Planning Grant:** In FY 2000, the legislature allocated funding to support the development of two model ordinances by UW-Extension, as required in the state's "Smart Growth" legislation. Today, \$65,567 is used to support two land use specialist positions (one at UW-River Falls and one at UW-Stevens Point).

B. Agriculture and Agribusiness

The Agriculture and Agribusiness Program Area provides research-based information, alternatives and decision aids to producers and agribusiness entrepreneurs to: improve their profitability and competitive position in the global marketplace; provide, produce and distribute an adequate supply of high quality food and fiber; enhance and protect the environment including soil and water resources; and develop effective public policies for agriculture. Four special projects illustrate the dilemmas involved in prioritizing the use of limited resources among competing demands for internal funding, which have required reallocation from existing educational programs that support Wisconsin's agricultural economies.

- **Farm Financial Management:** The Farm Financial Management project (\$76,842 GPR) is a joint activity of UW-Extension and UW-Madison which analyzes the many factors affecting the financial performance of Wisconsin farm businesses. This information provides farmers, educators, public policy-makers, legislators and other agricultural professionals with a better understanding of why some farm businesses compete successfully and survive, while others do not. The initial project focused on utilization of the records of the Farm Credit System of St. Paul. Data variation demonstrated a continuing need to understand how changing factors such as farm business size, short, intermediate and long term debt position, resource allocation efficiency, and owner's managerial skill can affect the profitability, solvency and liquidity characteristics and performance of Wisconsin farm businesses. The project has expanded to a cooperative venture with the Center for Dairy Profitability in focusing on dairy farms in Wisconsin by including farm record association data. The project continues to gather, analyze and distribute information for use by county agents, specialists, other policy-makers, and professional educators in their educational programs to clientele throughout the state. The dynamics of the international, national and state economies, and the resulting changing conditions in Wisconsin place new challenges on farm managers and

educators. As the information changes, so this special project continues to change with its goals and objectives redefined to meet contemporary needs for public policy information.

- **Center for Dairy Profitability:** The Center for Dairy Profitability (\$248,391 GPR) is a joint project of UW-Extension, UW-Madison, UW-Platteville and UW-River Falls, that provides faculty and program resources to enhance and augment ongoing programs supporting Wisconsin's dairy industry. It has developed linkages with Wisconsin state agencies, several states, and several educational programs. The Center now delivers interdisciplinary programs that emphasize integrated production, financing, marketing and management systems. These ongoing programs assist farmers and the dairy industry to maintain and enhance their national and international competitiveness. Continuing resources have supported dairy modernization (UW-Extension), farm electrification/milking systems/engineering (UW-Madison), dairy farm financial management (UW-River Falls), and dairy beef and veal production and marketing (UW-Platteville).

The Center's educational programs have evolved to focus on farm accounting (AAIMS program) and real-time database management (AgFa). Several spreadsheet-based management decision aids have been constructed, disseminated largely through the Center's heavily accessed web page. Emerging issues related to modernizing Wisconsin dairies, siting of concentrated animal feeding operations (CAFO's), and managing price risk will require continued project activities to address related private and public concerns.

- **Program on Agricultural Technology Studies (PATs):** This program is a special project of UW-Madison and UW-Extension. Formerly the Agricultural Technology and Family Farm Institute, PATs was created in 1997 to refocus activities in light of the sharp reduction in state funding that occurred in fiscal year 1996. PATs (\$129,448 GPR) continues to identify and evaluate factors that affect the economic viability of family-sized farms in Wisconsin, and to design and deliver outreach programs that help Wisconsin citizens understand the relationship between farming and rural economic development. Through its biennial survey of Wisconsin farmer attitudes with respect to farm and rural public-policy issues, PATs has become a highly respected source of objective information for policy analysts and legislators. Using its reduced state funding to leverage state and federal grants, PATs has recently expanded its activities to include research and outreach on animal waste management, property tax reform, management-intensive rotational grazing, and land use. The unit maintains extensive databases on rural trends and conditions, and designs customized materials for county UW-Extension faculty and staff to use in local educational offerings.
- **The Nutrient and Pesticide Management Program:** Special projects supported by the Nutrient and Pesticide Management Program (\$275,739 GPR) provide educational programs and foster the exchange of information within the

University and across the agricultural businesses and communities. The NPM program links research and extension programs, as well as research and Extension faculty, with farmers, agribusinesses and rural communities in developing site-specific solutions to problems involving soil fertility, nutrient management, manure management, sludge management, weed, insect and plant disease, pest control, and water quality. While over 21 crops, grown in major acreage in Wisconsin, have benefited from the NPM program, most potato and cranberry crops rely on efforts associated with Integrated Pest Management (IPM) Programs. New IPM efforts with greenhouse production and facilities also focus on employee health. The need is ongoing as the array of nutrients, crops and pesticides continue to evolve.

C. Family Living Programs

Family Living Programs educate families so they are capable of making informed decisions and avoid potential problems they may face. Education programs are designed based on current research and adapted to target the unique needs of families across the state and nation. The programs include areas such as:

- Access to Affordable Housing;
- Building Community Connections with Families;
- Consumer Health Education;
- Eating Well and Being Active;
- Family Caregiving;
- Family Financial Education;
- Families in Stress and Transition;
- Parenting Education; and
- Poverty and Food Insecurity.

In addition to the focus on the above issues, a public-service legislated project, the Biotechnology Education Outreach Program (BioTrek) is a joint project of the UW-Madison Biotechnology Center and the Family Living Program of UW-Extension. BioTrek engages the public in the outreach mission of the University by providing tours and workshops at the Biotechnology Center on the UW-Madison campus, and workshops across Wisconsin. The mission is “Sharing Science With Wisconsin.” The goal is to transform how people view and do science, and to better enable people to use science in making personal choices and public policies. The biotechnology project utilizes UW-Madison and UW-Extension special-project resources of \$78,495 GPR and has accomplished the following results:

- In 2005 BioTrek provided a total of 139 hands-on science workshops or presentations – 99 of the presentations welcomed people to the outreach facilities at the Biotechnology Center, 12 of the presentations were at other locations at UW-Madison or in Dane County. The Center served groups from 29 different

Wisconsin counties. Two workshops were held out of state, in Maine and Missouri. A total of 5903 people were served. This does not include the people served at Farm Technology Days and Ag Venture Day at the Wisconsin State Fair.

- Expanding Your Horizons (EYH) is an annual one-day conference for middle school aged girls that promotes STEM careers – science, technology, engineering and math. In 2005, attendance was at an all time high of 335 girls from at least 12 counties in south central Wisconsin. Each group is led by two UW undergraduates who major in science. Each group attends three different 50-minute career sessions, led by graduate students, post-doctoral students, faculty or businesswomen. Sessions are located on the UW-Madison campus, Edgewood campus, MATC-Truax, Strand Associates, and UW Space Place in South Madison, making Expanding Your Horizons a truly community-based experience for the girls. The afternoon ends with all groups participating in the Science In Action activity. The effort is lead by 160 volunteers – from undergraduate leaders through faculty presenters and members of the planning committee.

Leading in to the conference, 67% of the girls who attended indicated that the most important thing to know about a job was how to prepare for it. This is addressed and their horizons are broadened as a result of joining in a small group where most people are new. They learn what it is like to be an undergraduate from their leaders. Then they learn about three varied STEM careers and the education necessary from the presenters.

Girls are polled pre- and post-conference to find out what math/science courses they plan to take in high school. Post-conference statistics show that attending Expanding Your Horizons changes girls' attitudes about STEM courses offered.

- Sharing Science With Wisconsin: Developing the Next Generation of Science Outreachers. The Science Expeditions Kickoff event was held Saturday, April 2, 2005, and welcomed 1380 people to the Engineering Centers Building at UW-Madison to experience science at 40 hands-on Exploration Stations staffed by over 110 volunteers from the full range of sciences across campus. The month-long series of events culminated with the first annual Family Horticulture Day at the West Madison Ag Research Station, where volunteers from Master Gardens and Dane County 4-H welcomed people of all ages to plot their plans for their garden. Now in its fourth year, planning for Science Expeditions 2006 got underway in December 2005 with a \$20,000 grant from the UW Foundation. Two major goals for 2006 are to expand the participation of 4-H youths by inviting them to take part in designing and building Exploration Stations, and to take the Science Expeditions model to other communities through organizing "Science Exploration Days" events, currently scheduled for Dane, Waukesha, Racine, and Trempealeau Counties.

D. 4-H Youth Development

4-H Youth Development Programs work with and through community volunteers, organizations, and schools, to offer educational programs that engage young people in educational projects, events, activities and clubs; identify and minimize the sources of risk facing young people; help young people make contributions to family and community life; and train volunteer leaders. There are no special legislated project funds in this area.

III. OUTREACH AND E-LEARNING EXTENSION

The University of Wisconsin-Extension's Outreach and E-Learning Extension division provides continuing education and e-learning programs, services, and support to the 26 UW campuses and a wide variety of corporate and non-profit partners. In conjunction with the 13 two-year and 13 four-year UW campuses, Outreach and E-Learning is a lifelong learning partner for more than 200,000 people each year, from the 72 counties across Wisconsin, all 50 states, and 104 countries around the world. Each institution/campus with its select mission, as well as array of program and degree entitlements, offers educational programs and services to meet constituent need. The division acts in concert with its partners to achieve mutually identified goals and objectives that reflect the synergy generated by the diverse spectrum of resources operating at institutional, collective, and statewide levels in meeting the needs of lifelong learners.

“Addressing Critical State Needs,” the divisional statewide strategic plan, identifies five divisional priorities. Continuing educators will:

- A. Advocate for lifelong learning;
- B. Collaborate effectively and creatively;
- C. Integrate technology and practice;
- D. Practice entrepreneurial fiscal management; and
- E. Assess the impact of programs, services, and partnerships.

A. Advocate for Lifelong Learning

- **Minority Entrepreneurship:** The Minority Entrepreneurship Program at UW-Milwaukee (\$88,866) provides real world, practical education for minority clients and others who are interested in operating or starting their own businesses. Its courses, which cover the basic components of successful business ventures, are delivered on-site in minority communities, using practitioners (such as bankers, marketing specialists, accountants, business attorneys and human resource managers) who can relate their experiences and the problems they have encountered to others considering business ventures.
- **School for Workers (SFW):** Outreach and E-Learning has continued financial support of the UW-Extension School for Workers, a labor education unit. SFW is

the oldest university-based labor education program in North America, founded in 1925. One of the first operational components of the "Wisconsin Idea", the School, its faculty and staff, have long brought these three components--teaching, research, and outreach--to thousands of workers, unions, and employers throughout Wisconsin, the nation, and the world.

SFW runs approximately 150 programs each year, which involve more than 4,000 union representatives, officers, members, and employer representatives. SFW offers a wide range of programs ranging from one-hour presentations, to evening community classes, to two- or three-day conferences, to week-long residential institutes at the J.F. Friedrich Center in Madison, to multi-day labor-management facilitations involving a wide range of subjects. SFW faculty also provide a wide range of applied research and technical assistance services.

As just one example of its work, School for Workers is working with the Wisconsin Department of Health and Family Services' Bureau of Occupational Health to create educational materials, an awareness video, and a web site on bioterrorism and emergency preparedness.

- **American Council on Education (ACE):** Outreach and E-Learning Extension houses the Wisconsin state affiliate for the American Council on Education (ACE) College Credit Recommendation Program. The College Credit Recommendation Service is a national ACE program that evaluates workplace education and training programs and recommends appropriate college credit levels. The Wisconsin state affiliate serves as the link between the national program and Wisconsin business and industry, labor unions, professional and volunteer associations, government agencies, and trade, technical and business schools.

In September 2004, the Wisconsin State Director of the ACE CREDIT program received the E. Nelson "Al" Swinerton Distinguished Service Award from the American Council on Education (ACE). In both 2004 and 2005, the Wisconsin Office and the ACE National Office again exhibited at the Distance Education Conference, held annually in Madison, WI. Following the 2005 conference, 12 faculty (nine from Wisconsin) completed a training session to prepare them as distance education reviewers for ACE. And, during 2005-06, Outreach and E-Learning completed a telephone benchmarking study of Distance Education practices for ACE. The Wisconsin State Director completed training in 2005 and has become a National Coordinator. During the fall 2005, the Wisconsin State Director co-facilitated a training session for other ACE State Affiliate Offices just prior to the annual meeting of State Directors, National Coordinators, and Board members.

B. Collaborate Effectively and Creatively

- **Diversity Program Development Initiative (DPDI):** The Diversity Program Development Initiative (DPDI) is aimed at helping UW institutions develop and implement new diversity ventures that are consistent with the goals and initiatives of UW-Extension's Plan 2008. Program recipients are required to work with a community partner with credibility in the target community. Six campuses, the School for Workers, and the Higher Education Location Program received a total of 11 grants in the 2004-05 and 2005-06 fiscal years:

2004-2005 recipients:

- **Building Opportunity: Diversity That Pays Off,** UW-Extension School for Workers (\$7,500)
This program by the UW-Extension School for Workers seeks to address the under-representation of persons of color and women in good-paying jobs, the trades, and post-secondary education. A partnership comprised of the YWCA Employment and Training Annex, Black Labor Action Coalition, South Central Federation of Labor and Union Labor News, Construction Labor Management Council of Greater Wisconsin, Center on Wisconsin Strategy at the University of Wisconsin-Madison, and Building and Construction Trades Council of South Central Wisconsin will provide 15 week classes in the Madison area to prepare young adults and returning learners for various entry exams in the trades or in post-secondary education.
- **Precollege Academic Year Initiative,** UW-Milwaukee (\$7,480)
The "Wonder, Explore, Believe" curriculum in science concepts and academic skills is the foundation of a new academic year program for UW-Richland's Precollege Academic Year Initiative. By incorporating several new academic year activities into a summer precollege program for 6th-12th graders from the Milwaukee area, the curriculum will increase student academic skills in the sciences and writing, sustain student contact, promote student retention, and increase parent knowledge and involvement in the program. Partners are Grand Ave Middle School in Milwaukee and UW-Milwaukee.
- **Career Paths,** UW-Milwaukee (\$7,000)
This College for Kids and Teens program at UW-Milwaukee's School of Continuing Education is partnering with Milwaukee's Latino Community Center to involve families and teens in training on education, career paths, and precollege programs. By wrapping training around a one-week precollege program for middle-school students, parents will learn how to support their first-generation higher education students in exploring careers, taking appropriate courses in high school, understanding university expectations, and supporting professional aspirations.

- **Improving Latinos' Employment Marketability in the Fox Valley Community**, UW-Fox Valley (\$5,538)
This program merges training in vocational English, computer software, and job-seeking skills to improve the employability and professional opportunities of Latinos in the Fox Valley area. A six-week course is sponsored by UW-Fox Valley Continuing Education in partnership with Latino Link, Appleton Public Library, and the Fox Cities Chamber of Commerce.
- **Gearing Up for College**, UW HELP (\$3,550)
To improve higher education and career awareness for Latino families, the Higher Education Location Program (HELP) will expand their current recruitment and informational programs by teaming with the United Community Center Middle School in Milwaukee. HELP will present information to and translate materials on higher education in Spanish for students entering the 9th grade and to soon-to-be graduates and their families.

2005-2006 recipients:

- **Tribal Leadership Community Development**, UW-Superior Center for Continuing Education/Extension (\$7,500)
This project will develop a leadership program to build community development skills for Native Americans in northern Wisconsin. The program is a partnership with the Red Cliff Housing and Development organization.
- **Pre-College Students of Color: Accessing Higher Education**, UW-Green Bay Division of Outreach and Extension (\$7,500)
UW-Green Bay will work with the Green Bay School District, the Youth Educational Services Program for Oneida, and the College of Menominee Nation to develop a series of activities for youth and agencies that provide services to youth to promote diversity, assess needs, and address issues of higher education for youth of color.
- **Health Career Exploration for Hmong**, UW-Stevens Point Extension (\$7,500)
This is an intensive, two-week career exploration in partnership with the UW-Stevens Point Office of Multicultural Affairs and the North Central Wisconsin Workforce Development Board. The Health Career Exploration for Hmong program will provide up to 30 Hmong youth going into grades 8 and 9 with health career information, providing a combination of career presentations by local professionals and field trips to facilities to generate interest by Hmong youth to prepare for and pursue careers in health-related fields.
- **Native American (Ojibwa) Life Stories as Powerful Tools for Learning**, UW-Superior Center for Continuing Education Extension (\$7,500)
This project aims to engage Native American youth in school through a project in which they interview and record the life stories and legends of their elders. The project will teach Native American high school students how to interview, video tape and edit the life stories and legends of Ojibwa elders and adults in their communities in a culturally appropriate manner. The students will present their completed projects in a community-wide video premiere. Lac Courtes Oreilles Ojibwa Community College is their community partner.

- **The Apprentice – Working in the Real World**, UW-Milwaukee School of Continuing Education (\$6,000)
Forty Latino/Hispanic teen students will participate in "The Apprentice — Working in the Real World." Though classroom instruction and role-playing, the program will teach them interview and job skills and then provide them an opportunity to learn how to prepare for careers academically and compete for internships in the university and local businesses. Milwaukee's United Community Center and Hispanic Chamber of Commerce are community partners.
- **UW Continuing EDvantage** - To reinforce the critical importance of building Wisconsin's economy, Outreach and E-Learning is currently funding an expanded statewide economic-development initiative, through regional partnerships with education, business, and government. UW Continuing EDvantage projects meet changing education and training needs of adults through lifelong learning and/or support diverse and dynamic communities that attract and retain talented individuals. All projects reinforce regional partnerships with education, business, and government entities. Partnerships receiving start-up funding through this statewide initiative will address a range of workforce development needs and emerging social capital considerations on a regional level. Sixteen projects received funding in the 2004-05 and 2005-06 fiscal years:

The 2004-05 projects:

- **Information Security Program**, UW-La Crosse (\$17,000)
This project aims to strengthen the economy through improving the quality and quantity of professional development opportunities for information technology professionals, particularly in information security.
- **Promoting Economic Development: Creating Brain Drain through Understanding the Culture of Poverty**, UW-Superior (\$8,288)
In an effort to teach educators, law enforcement personnel, healthcare and social service providers, and employers about the culture of poverty, UW-Superior will hold two different day-long workshop at three locations: Lac du Flambeau, Lac Coudre and Superior.
- **Central Wisconsin Training and Development Network: Coordinating Resources**, UW-Stevens Point (\$25,000)
This project identifies Central Wisconsin employers' training needs and links those employers to appropriate training solutions.
- **Minority Contractor Capacity Initiative**, UW-Milwaukee (\$34,785)
This program provides professional development opportunities to small minority- and women-owned construction firms in an effort to increase their ability to compete effectively in the marketplace as prime contractors.
- **Northwoods Nonprofits**, UW-Superior (\$15,000)
This comprehensive two-year training program helps stabilize the nonprofit sector and build capacity by providing educational opportunities, peer learning groups, and web-based resources.
- **West-Central Wisconsin Synergy Regional Initiative**, UW-Eau Claire, UW-River Falls, UW-Stout (\$47,500)

This collaborative project builds upon the Synergy Regional Initiative toward regional economic development in a nine-county region by advancing community-level development initiatives. In addition to the established Synergy conference series, this project will support the development and delivery of Preserving Community Character workshops at the local level, and develop a train-the-trainer program to support these local efforts.

- **Arts Build: Using the Arts to Foster Economic Development in Rural Southwest Wisconsin**, UW-Platteville (\$10,625)

This program provides intensive assistance to art-related business owners and entrepreneurs in southwest Wisconsin. The focus is strengthening the professional and business capacity of arts workers in underserved rural communities.

The 2005-06 projects:

- **Regional Economic Development Indicators**, UW-Green Bay (\$18,145)
This project will result in an expanded database of economic information for the Northeast Wisconsin region. In addition, through a series of workshops, business leaders will learn how to use the new data to gauge the progress of their initiatives.
- **Geographic Information Systems (GIS) Applications**, UW-La Crosse (\$17,200)
Geographic Information Systems help users better analyze geographic data and analyze economic trends that are not discernable with other analyses. This project will disseminate GIS applications to large and small businesses and local and county governments in the region
- **Fast Track Tech: Jump Start Milwaukee's High Tech Entrepreneurs**, UW-Milwaukee (\$12,650)
This project will launch Saturday morning business feasibility and planning classes for high-tech entrepreneurs.
- **Development of a Generalizable Webservice of Economic Data for the Southeastern Wisconsin Region**, UW-Parkside (\$18,145)
This collaborative project will result in an expanded database of economic baseline data for the Racine County area. This information will be made widely available through the Internet.
- **Arts Build SmART Communities**, UW-Platteville (\$20,000)
The goal is to build the economy of southwest Wisconsin through partnerships between community leaders and local artists. The project will develop a regional arts board across a six-county region and provide information sessions, workshops, and networking opportunities for local artists.
- **JAKE 3**, UW-Stevens Point (\$17,000)
Funding for this project provides third-year support of a multi-year initiative to provide educational opportunities for the residents of central Wisconsin.
- **Information Security Survival Kit**, UW-Whitewater (\$13,119)
By working with the Small Business Development Center and the Global Business Resource Center, UW-Whitewater Continuing Education will develop course materials on information security and provide a two-day workshop for computer users in business, health care, local government and

non profit agencies. The goal is to help small and medium-sized businesses avoid computer viruses, hacking and unwanted email.

- **Minority Contractor Capacity Initiative**, UW-Milwaukee (\$21,915 second-year funding)
- **West-Central Wisconsin Synergy Regional Initiative**, UW-Eau Claire, UW-River Falls, UW-Stout (\$47,500 second-year funding)
- **Adult Student Initiative (\$225,193)**— Recent data has shown Wisconsin is five percent behind nearby states in terms of the number of adults with Bachelor's Degrees, with approximately 70,000 fewer degree holders. At the same time, Wisconsin has a high level of Associate degree completion. There is, therefore, a substantial learner's market for a Baccalaureate Degree completion initiative in the state. The University of Wisconsin has many needed undergraduate degrees in a face-to-face format and some degrees already available in a more accessible format.

Considering these factors, the Division of Outreach and E-Learning launched its Adult Student Initiative. The goal of the project is to involve as many campuses as possible in expanding the number of quality distance-delivered, undergraduate degree-completion programs in the UW System. This involves not only developing new, accessible degree programs but also promoting the effort through statewide marketing and advising and increasing use of the Prior Learning Assessment systemwide.

As part of the Adult Student Initiative, the Outreach and E-Learning Dean's Office created the Strategic Program Development Initiative (SPDI). Designed to provide three years of start-up funding for new programs, the SPDI supports the development of online and/or hybrid undergraduate upper-division course sequences in existing degrees that ultimately lead to a Baccalaureate Degree. In its first year, the Dean's Office funded five new SPDI programs, and the development of new courses has already begun.

- **Quality Educator Interactive (QEI) (\$31,842)**—Wisconsin's new educator licensure requirements (PI 34) expand the framework for professional development, anchoring licensure in Wisconsin Model Academic Standards. Throughout the career of the educator, this licensure process will reinforce individual responsibility and collegial support as the educator seeks the requisite knowledge and skills designed to enhance student learning. A new Web site developed in partnership by the Division of Outreach & E-Learning, University of Wisconsin System Administration, Wisconsin Education Association Council (WEAC), the WEAC Professional Development Academy, and Association of Wisconsin School Administrators is helping teachers switch from the traditional credit-based requirements to the new professional development model.

The Quality Educator Interactive (QEI) helps teachers create, edit and share professional development plans, and connects them with professional development opportunities statewide. This educator-directed approach to professional development opens up a wealth of choices of activities, resources, and models. In an effort to help educators effectively and efficiently manage their time and professional

growth activities, the QEI offers a solution by simplifying these record-keeping demands and connecting educators with the resources they need to manage their own professional growth. The QEI includes an interactive database of professional development opportunities and resources as well as a secure location for educators to house their PI34 Professional Development Plans (PDPs). It can be found at www.qei.wisconsin.edu.

- **IDEAS Portal Website (\$172,730)**— For six years, the Division of Outreach and E-Learning has been helping connect Wisconsin educators with high quality teacher-reviewed classroom resources all over the Internet. The ide@s Web site (www.ide@s.Wisconsin.edu) is a portal that provides Wisconsin educators access to highly usable, teacher-reviewed web-based resources that help them use technology to meet the Wisconsin Model Academic Standards and create the foundation for a statewide knowledge management system. Ide@s helps teachers integrate technology into PreKindergarten-16 curriculum and helps Wisconsin's educators find online lessons, video, and interactive learning tools. Resources are evaluated and tested by educators and all lesson plans, interactive learning tools, online projects, student resources, and video clips are aligned with the Wisconsin Model Academic Standards.

Ide@s also offers Video ide@s, a searchable video database, that gives K-12 educators in Wisconsin a resource to identify, preview, and present educational video in the classroom. Video content includes physics and chemistry experiments, Wisconsin history, American Indian history and culture, and Get Real science programming. Many of the Video ide@s clips come with teacher and student materials that can be downloaded for classroom use.

In meeting these objectives, ide@s became part of Dr. James Lerman's book, "Essential Websites for Educational Leaders in the 21st Century." Selected sites were chosen for their ease of access, content of value, ease of navigation, credibility/reliability of content, and relevance for the reader.

- **Metropolitan Multicultural Teacher Education Program (MMTEP) (\$94,069):** The Division of Outreach and E-Learning Extension continues to fund the Metropolitan Milwaukee Teacher Education Program (MMTEP), which remains a national model for bringing more people of color into teaching. The program is a collaborative effort of the University of Wisconsin-Milwaukee's School of Education, the Milwaukee Public Schools, and the Milwaukee teachers' union.
- **Cultural Coalition (\$20,000):** Outreach and E-Learning Extension is a member of the Cultural Coalition, an alliance of state and nonprofit arts, humanities and history agencies and organizations that promotes arts and humanities in the state. Along with Outreach and E-Learning, the Cultural Coalition members are: Wisconsin Public Television; Wisconsin Public Radio; Wisconsin Academy of Sciences, Arts and Letters; Wisconsin Arts Board; Wisconsin Humanities Council; and the Wisconsin Historical Society. The Coalition formed in 1996 to support a common mission to provide and foster lifelong learning and greater appreciation for the arts, culture, humanities, and history.

The Cultural Coalition created Portalwisconsin.org, a Web site to promote arts, culture, humanities, and history in Wisconsin. Using a variety of web-based media, Portal Wisconsin serves as an electronic gateway to rich content throughout the state. Content includes a statewide events calendar, news articles, chats, online galleries, and Web links. Users are able to search for content by keyword, geographic area, interest area, and other means.

The Cultural Coalition also developed *A More Perfect Union*, a series of activities aimed at helping Wisconsin citizens explore issues critical to democracy and apply some of their observations to the 2004 presidential race.

- **Cross Divisional Program Innovation Fund:** Administered by the UW-Extension Vice Chancellor, the Cross Divisional Program Innovation Fund encourages innovative programming efforts with a common thread—collaboration across the various Extension divisions and units. In fiscal years 2004-05 and 2005-06, Outreach and E-Learning collaborated on a number of projects that received grants from this fund. The shared funding among the collaborations was \$130,000 in 2004-05, and \$241,113 in 2005-06. In 2005-06, an additional \$34,637 was provided by the division of Outreach & E-Learning. Two examples are listed below:
 - Strengthening UW-Extension's Capacity and Involvement in Service-Learning, to develop online training modules, a website and public information materials to increase understanding of service-learning pedagogy and applications, and to encourage long-term, sustainable partnerships between UW-Extension, Wisconsin's other higher education institutions, and local communities.
 - Engaging Faculty in a Digital Future Demonstration Project, to provide accessible and useful teaching tools and learning materials for Wisconsin's K-12 teachers and students. Chemistry video segments and other related materials will be catalogued, indexed, correlated to state standards for K-12 teachers, and made accessible through the IDEAS portal website.
- **Solid and Hazardous Waste Education:** The Pollution Prevention Program supports faculty at UW-Madison and UW-Extension who provide Wisconsin businesses and industry with educational programs that reduce hazardous waste generation. Companies have participated in one-day seminars, satellite teleconferences, trade shows, or technical assistance activities conducted by the Center. Each year the Center staff conducts waste reduction/pollution prevention opportunity assessments at industrial plants throughout the state. These assessments provide technical information and assist the companies in establishing strategies for waste reduction. Follow-up evaluations with a number of companies have determined that Center-recommended improvements have resulted in either significant reduction or elimination of entire waste streams and substantial cost savings. The Center also cooperates with state agencies and statewide professional and business organizations to widely disseminate pollution-prevention education programs.

C. Integrate Technology and Practice

- **UW Learning Innovations (UWLI):** Outreach and E-Learning Extension continues its financial support of UWLI, which serves the entire UW System with the development and distribution of online credit and non-credit programs and degrees. UWLI provides convenient access to UW educational opportunities for people wherever they live and work. Enrollments in UW Online degree programs supported by UW Learning Innovations continue to grow at an impressive pace.

The 11 full degree programs currently supported by the UWLI are:

- **Bachelor of Science in Business Administration** from UW-Platteville;
- **Bachelor of Science in Criminal Justice** from UW-Platteville;
- **Bachelor of Communicating Arts** from UW-Superior;
- **Bachelor of Science in Nursing** for Wisconsin RNs through a collaboration by UW-Eau Claire, UW-Green Bay, UW-Madison, UW-Oshkosh, and UW-Milwaukee;
- **Bachelor of Science in Nursing** undergraduate degree completion for national RNs through UW-Green Bay;
- **Bachelor of Liberal Studies with an emphasis in Organizational Administration** from UW-Oshkosh;
- **Collaborative Master's Degree in Business Administration** from UW-Eau Claire, UW-La Crosse, UW-Oshkosh, and UW-Parkside;
- **Master's Degree in Engineering** from UW-Platteville;
- **Master of Science in College Student Development and Administration** from UW-La Crosse;
- **Master of Science in Criminal Justice** from UW-Platteville; and
- **Master of Science in Project Management** from UW-Platteville.

The 11 on-line certificate programs include:

- **Human Resource Management** from UW-Platteville;
- **Project Management** from UW-Platteville;
- **International Business** from UW-Platteville;
- **Leadership and Human Performance** from UW-Platteville;
- **Graduate Diploma in Criminal Justice** from UW-Platteville;
- **MBA Foundations of Business** from UW-Eau Claire, UW-La Crosse, UW-Oshkosh, and UW-Parkside;
- **Collaborative Gerontology** from UW-Eau Claire, UW-Green Bay, UW-La Crosse, UW-Madison, UW-Milwaukee, UW-Parkside, UW-Stevens Point, UW-Stout, and UW-Superior;
- **Collaborative Certificates in Information Systems and Project Management** from UW-Parkside and UW-Whitewater;
- **Graduate Certificate in Community Education** from UW-River Falls;
- **Graduate Certificate in Service Learning** from UW-River Falls; and
- **Graduate Certificate in Wildlife Recreation and Nature Tourism** from UW-River Falls.

- **Manufacturing Technology Transfer (MTT):** Manufacturing Technology Transfer (MTT) (\$229,105) at UW-Stout provides the means to transfer state-of-the-art manufacturing practices to small and medium-size manufacturers via interaction with UW-Stout faculty, technical advisors, and students. MTT provides direct in-plant assistance in developing and applying a strategy for productivity improvement. The MTT program also provides manufacturers assistance with new product innovation including: engineering assistance, product design, material selection, rapid prototyping, business incubation, and process design. As a result, these companies are able to select and apply appropriate technology, maximize employee productivity and manufacturing capacity, reduce product cost, enhance product quality and customer satisfaction, and develop and implement long-term planning for sustained economic growth. MTT's goal is to stimulate economic development and job creation by enhancing the state's productive capacity and competitiveness in regional and international markets.
- **Educational Technology Project:** The Educational Technology Project (\$86,305) is located at UW-Eau Claire. This project has allowed UW-Eau Claire to develop and utilize its telecommunications infrastructure and has provided programmatic support and faculty training to serve the distance education needs of the campus. UW-Eau Claire offers freshman English composition to regional high school students, staff development for area gifted and talented teachers, and video teleconferences for staff development. Since the project began, it has developed Bachelor's and Master's in Business Administration courses that are offered over compressed video to UW-Barron County, and has offered nursing programs as part of the Collaborative Nursing Program.

D. Practice Entrepreneurial Fiscal Management

- UW-Extension's continuing education programs, in partnership with the 26 UW campuses, offer learning opportunities to increase professional competencies, improve the workforce, and strengthen the economy. More than 200,000 people enroll in campus-based continuing education programs each year. Continuing Education units at each campus are uniquely positioned to connect university resources and expertise with a range of business and workforce sectors. Each campus unit addresses unique local challenges through programs, services, and partnerships designed and developed to facilitate the transfer of knowledge to learners, helping them update their skills and remain competitive in today's marketplace. Outreach and E-Learning Extension programs are a tremendous value for the state of Wisconsin—for every \$1 of state support invested, the division returns \$3.62 in program revenue.

E. Assess the Impact of Programs, Services, and Partnerships

- As part of an institution-wide initiative, Outreach and E-Learning has developed guidelines and processes for evaluating and articulating the human, economic, environmental, and civic impact of continuing education programs throughout the

state. Evaluation reports focus on the value that extension programs add to traditional UW courses and outreach efforts and the community partnerships that enhance the credibility and appropriateness of continuing education programs. Impact assessment initiatives contribute to program improvement while demonstrating accountability to learners and stakeholders.

To date, the division has provided direct training to all 26 University of Wisconsin campuses, as well as the School for Workers and UW Learning Innovations. As a result, campuses have begun integrating impact assessment into their course and unit evaluations, and have changed their course evaluation instruments.

The division also worked with UW Learning Innovations to develop program-impact training modules that are available online, free of charge, to all divisions. These online modules focus on basic evaluation skills and are written specifically for UW-Extension and partnering faculty and staff.

IV. BROADCASTING AND MEDIA INNOVATIONS (BAMI)

UW-Extension has organized its broadcasting and conferencing technology services in such a way as to capitalize on the convergence of digital broadcast and computer technologies. This complementary mix blends traditional broadcasting and conferencing with new services delivered through digital technology. New and existing audiences have access to broader and deeper content delivered through digital technologies. There are no specifically funded legislated projects in Extension Broadcasting and Media Innovations. The following are the units' major public service program areas.

A. Broadcasting

In partnership with the Wisconsin Educational Communications Board (ECB), the Broadcasting and Media Innovations produces and delivers cultural, educational, and instructional programs that meet the needs of individuals, communities, and the state, using the facilities and resources of Wisconsin Public Broadcasting. WHA-TV and WHA-Radio, licensed to the Board of Regents, serve the south central Wisconsin area, and provide educational production facilities and support for faculty in Extension and at institutions located throughout the state. There are 574,000 households that view Wisconsin Public Television each week. Wisconsin Public Radio reached 414,600 listeners each week. Instructional Communication Systems (ICS) provides 159,300 interactive conferencing hours each year. Every GPR dollar invested in Wisconsin Public Broadcasting leverages \$3.00 from other sources.

B. Media research and experimentation

- a. **Digital Multicasting** UW-Extension Broadcasting and Media Innovations is partnering with Penn State University and The Ohio State University to create a "University Channel" as a digital multicast television offering (\$4,000).

- b. **Web Technology** Broadcasting and Media Innovations provides innovative web sites for public media. These sites include WPT webcasting of video segments, and WPR “podcasting” audio programs. WPT and WPR partner in creating Portal Wisconsin which provides access to cultural events throughout Wisconsin. ICS provides database web services which guide students to distance education programming offered by all UW institutions.
- c. **Datacasting** UW-Extension and Wisconsin Public Television are using digital television technology to broadcast information to computers. Because digital television now uses the same language as computers (ones and zeros), video, audio and text can now be broadcast to be received and stored in computers as files. These files can be opened and used when needed by the student or teacher. BAM! has partnered with UW Baraboo to deliver online classes through datacasting, and with the State Department of Health and Family Services to deliver video conferencing through datacasting (\$75,000).

V. BUSINESS AND MANUFACTURING EXTENSION

Although there are no specially funded legislated projects in Business and Manufacturing Extension and its Small Business Development Center, the following are some of the units’ program areas.

A. Small Business Development Center (SBDC) Network

Many small business owners have had little or no formal training in business management. For instance, the owner may have a wonderful skill set as a machinist or auto mechanic, but lacks the skills needed to manage a business. Thousands of ambitious, hardworking Wisconsin residents who have started or want to start a business are quickly confronted with major issues such as financial management, inventory control, marketing, and human resource issues for which they are totally unequipped. Reports from highly recognized firms like Dun and Bradstreet repeatedly point to bad management, not lack of capital, as the major reason for small business failure.

Over 25 years ago, UW-Extension in partnership with the US Small Business Administration, recognized the enormous need for business management assistance for small business owners and aspiring business owners. Since that time, Congress has invested hundreds of millions of dollars to build an entrepreneurial management and technical-assistance educational infrastructure that is the envy of the world.

The SBA and the UW-Extension have built a system that other states work to emulate. Wisconsin was the first state to use training and the classroom to aggressively grow SBDC educational programming. As a result, for over a decade a healthy balance of shared funding has been in place, resulting in proportions of 1/3 federal, 1/3 UW-state and 1/3 client fees. With the addition of recent funding from the Wisconsin Department of Commerce, the shared funding now comes from the federal partner, UW Extension, Commerce, and the client.

As compared to other states, there are other notable differences in UW-Extension and SBDC activity. These differences include early adaptation of distance education methodologies, a position as the first SBDC to integrate peer learning for second-stage entrepreneurs, and a strong presence in technology business programming. UW-Extension's SBDC was also among the first to implement a statewide call center, and Wisconsin the first state to integrate electronic documents and client management into the call center concept.

- **SBDC PeerSpectives™ Network**

As mentioned previously, the Wisconsin SBDC was the first to integrate peer learning for second-stage entrepreneurs. The Wisconsin PeerSpectives™ Network is the result of collaboration between UW-Extension, the Department of Commerce and the Edward Lowe Foundation, and is offered through the statewide Small Business Development Center network on UW campuses. To date, 92 eligible participants have received \$49,000 in grant assistance. Wisconsin PeerSpectives™ Network brings together small groups of entrepreneurs to address important business issues. Through confidential roundtable discussions led by specially trained facilitators, CEOs, Presidents and business owners learn from each other's experiences and offer problem-solving ideas about a variety of business and leadership issues unique to growing companies.

The SBDC state director testified before the House of Representatives Small Business Committee to tout Wisconsin's PeerSpectives Network, and its work in fostering peer learning among second-stage businesses (firms past the start-up phase and facing issues related to growth.) The testimony was given in support of a four-year-pilot program to foster peer learning for businesses. HR 3207 passed the committee unanimously. (Note: Senator Santorum, PA, introduced S. 2396, the Second-Stage Small Business Development Act, in March 2006. This bill also seeks to facilitate peer-learning opportunities for second-stage firms through the existing SBDC infrastructure.)

- **Wisconsin Department of Commerce -- Entrepreneurial Training Program**

This program encourages business formation and expansion in Wisconsin by providing 75% reimbursement for tuition cost of an SBDC entrepreneurial training program. Components include classroom course work, individual counseling and coaching, completion of a comprehensive written business plan, and—where indicated—helping the client toward readiness for business financing. In this program, selection of participants is based on their potential to support a business or business expansion idea. In fiscal year 2005-06, \$233,350 was distributed to 444 participants. The Wisconsin Department of Commerce provides the grant funding for the program, and the SBDC provides the administration, training and counseling.

B. The Wisconsin Entrepreneurs' Network

In 2005, the Wisconsin Entrepreneurs' Network (WEN) began with the Business and Manufacturing/SBDC State Director serving as the managing director. A project that fosters entrepreneurship across the state, WEN is funded in part by Act 255 (formerly known as SB261) through the Wisconsin Department of Commerce. Through tax credits, grants, technical assistance and loans, Act 255 provides growth opportunities for both entrepreneurs and investors.

A partnership of the University of Wisconsin-Extension, the Wisconsin Technical College System, the WiSys Technology Foundation, and the Agricultural Innovation Center, WEN shows special promise for continuing the UW-Extension legacy for innovation and impact throughout the state.

The WEN project is designed to reinforce and enhance an entrepreneurship system that integrates effective and comprehensive services to entrepreneurs and small business owners. UW-Extension's experience in working within the field of entrepreneurship points to the limited effectiveness of entrepreneurial development services which are uncoordinated. From the viewpoint of the entrepreneur as articulated through recent survey and client feedback, complicated, fractured business services can be frustrating, time-consuming, and damaging to business success. From the viewpoints of policy-makers and legislators, the absence of effective and collaborative systems diminishes the potential of economic development. WEN believes the solution is to create a comprehensive and collaborative entrepreneurship development system. Currently, with over 70 organizations working together with a common client management system and evaluation and impact process, the Wisconsin Entrepreneurs' Network has done that.

- **Small Business Innovation Research and the Small Business Technology Transfer Program Assistance**

The Small Business Innovation Research and the Small Business Technology Transfer programs are vehicles for innovative businesses and academic researchers to move university R & D from lab to market. SBIR and STTR are national competitions. The Wisconsin SBDC proposed and received Federal and State Technology (FAST) funds for three consecutive funding years to support SBIR and STTR proposal assistance. The FAST program ended September 30, 2005, with no additional federal funding opportunities. However, FAST services have been integrated with and into those of Wisconsin Entrepreneurs' Network (WEN). As part of WEN, four Regional Directors have been hired to identify and assist companies who are potential SBIR/STTR applicants. While each of the Regional Directors has a particular area of expertise, one, Pat Dillon, has significant expertise relating to SBIR/STTR assistance and is a Tibbetts Award recipient.

- **Inventors and Entrepreneurs Clubs**

In support of an entrepreneurial climate, WEN provides \$1,000 grants and start-up assistance to organizations to start an inventor and entrepreneur club (I&E Club) in their county. To date, 29 counties have I&E Clubs, supported by

\$29,000 in WEN funding. Through inventor and entrepreneur clubs, inventors come together to think creatively, develop their ideas, weigh the risks, and meet other would-be entrepreneurs. Studies show that an individual is three times more likely to become an entrepreneur after meeting another entrepreneur. Club meetings create a venue where members gather to share their passion and ideas, exchange information through peer-to-peer mentoring and build support for their endeavors. They also learn how to take their idea or invention and turn it into a tangible product or viable business.

- **Early Planning Grants and Technology Assistance Grants**

In May 2006, the Department of Commerce announced that WEN would take over the administration and assistance to businesses for the Early Planning Grants (EPG) and the Technology Assistance Grants (TAG). The grants can be up to \$4,000, of which 25% is paid by the business as match. These grants are designed to assist businesses in specific cluster areas through the development of business plans or additional technology assistance.

C. Wisconsin SBDC and WEN Launch Statewide Entrepreneurial Climate Survey

In an effort to learn more about entrepreneurship in Wisconsin, the SBDC and WEN, in conjunction with the Department of Commerce, implemented a study of the Entrepreneurial Climate in Wisconsin. The goals of this study were to:

- Understand more about how Wisconsin residents perceive the Entrepreneurial Climate in the state;
- Determine how the Wisconsin population is distributed across levels of involvement in the entrepreneurial process; and
- Determine which areas of business assistance entrepreneurs are aware of and which they are utilizing.

Entrepreneurship is alive and well in Wisconsin and there is great potential for the future. Roughly half the people in Wisconsin are thinking about starting a business, trying to start a business or have started one, according to a new study of the state's entrepreneurial climate. The study, "A Medium for Growth: The State of Entrepreneurship in Wisconsin," reported these strikingly high figures after surveying 1,144 randomly selected households across the state last year. The study examined Wisconsinites' perceptions of the state's entrepreneurial climate and their participation in the entrepreneurial process. Insights on these topics will help improve entrepreneurial assistance services and networks across the state. Previous work by the Global Entrepreneurship Monitor and Professors Paul Reynolds, Ph.D., and Sammis White, Ph.D., were valuable sources of information in developing this study.

Business and Manufacturing has already made progress on next steps. A major branding exercise has been launched to identify the correct brand story for WEN and to help it tap

into an emotional connection with clients. Insights on research findings will also be used to make positive changes in the services offered by the SBDC network.

VI. OTHER UW SYSTEM INSTITUTIONS

UW institutions other than UW-Extension manage \$20.2 million in extension and public-service funds. Most of these funds are at UW-Madison, where they support the State Laboratory of Hygiene, the Wisconsin Veterinary Diagnostic Laboratory, and other ongoing programs in the School of Veterinary Medicine, the State Cartographer's Office and the LaFollette Institute.

Other programs at UW System institutions support institution-based extension program activities, public-service radio station operations and programming, community-service forums and programs, and business awareness and development outreach efforts in communities.

The largest non-UW-Extension program is the State Laboratory of Hygiene (\$6.3 million), which provides highly complex laboratory testing services.

Annual Report on Calendar 2005
Undergraduate Drop Rates

EDUCATION COMMITTEE

Resolution I.1.h.(3):

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents accepts the Annual Report on 2005 Undergraduate Drop Rates for submission to the Joint Committee on Finance.

REPORT ON 2005 UNDERGRADUATE COURSE DROP RATES

BACKGROUND

In September 1988, the University of Wisconsin System Board of Regents passed Resolution 5045 in response to 1987-88 Wisconsin Act 27. Resolution 5045 directs the UW System Administration to:

1. Monitor course drop rates at all UW System institutions.
2. Require all UW System institutions to reduce or maintain course drop rates during any academic year at no more than five percent of the credit hours registered at the close of the tenth day of classes at the beginning of the fall and spring terms.
3. Directs all UW System institutions whose drop rates exceed five percent, effective in the fall of 1989, to develop and implement plans to reduce the drop rate to five percent. Such plans will be subject to the review and approval of System Administration.
4. Report to the Board of Regents whenever the combined rate of dropped credits across the UW System exceeds five percent in any academic year, beginning in the fall of 1990, and make recommendations for further action by the Board of Regents on UW System add/drop policies.

The Legislature's Joint Committee on Finance passed a motion at its September 1988 Hearing, S13.10, which directed the UW System to report to the Committee annually, beginning in 1990, on:

1. Campuses where the undergraduate drop rate exceeded five percent in any semester during that year.
2. The steps being taken to achieve a maximum five percent drop rate at these campuses.

The reporting requirements to the UW System Board of Regents and to the Legislature's Joint Committee on Finance differ. UW System Administration is required to report to the Board of Regents whenever the *systemwide* rate of dropped credits exceeds five percent; however, the Legislature's Joint Committee on Finance requires UW System Administration to report annually on *campuses* where undergraduate course drop rates exceed five percent in any given semester. The objectives of both the Board of Regents and the Legislative Joint Committee to reduce course drop rates below five percent have been consistently achieved over successive years since the 1990's. In September 1999 and September 2004, the Board of Regents requested that the Joint Committee on Finance eliminate the UW System *Report on Undergraduate Course Drop Rates*. However, the Joint Committee on Finance denied both requests and the report remains a legislative requirement.

REQUESTED ACTION

Approval of Resolution I.1.h.(3), accepting the Report on the 2005 Undergraduate Course Drop Rates for submission to the Joint Committee on Finance.

DISCUSSION

In this report, the course drop rate refers to completed credits as a proportion of enrolled credits. For the purposes of Resolution 5045, the UW System 2005 annual course drop rate was below the five percent threshold. The UW System has achieved the intent of Resolution 5045 by reducing the number of systemwide dropped credits. In the late 1980s, the systemwide drop rate was 5.5 percent. This had fallen to 3.6 percent in the spring of 2005 (the spring term of the 2004-05 academic year) and to 3.4 percent in the fall of 2005 (the fall term of the 2005-06 academic year). On an annual basis, the drop rate was 3.5 percent in calendar year 2005 (see Table 1). Over the years, the *Report on Undergraduate Course Drop Rates* has demonstrated a reduction in annual course drop rates to a level that has remained well below the mandated five-percent threshold. This trend indicates that course drop rates within the UW System have reached a stable level which is within the guidelines established by both the Regents and the Legislature.

A report containing the following information will be sent to the Joint Committee on Finance.

Annual course drop rates among UW institutions were at or below the five-percent threshold except for the UW Colleges. The UW Colleges exceeded the five-percent threshold, with a drop rate of 6.8 percent in the spring of 2004-05, and a drop rate of 5.6 percent in the fall of 2005-06. The UW Colleges' annual drop rate for 2005 stands at 6.2 percent, compared to 7.9 percent five years earlier. The UW Colleges continues to take a variety of actions to continue to reduce the drop rate. These include:

1. improved skills assessment upon admission;
2. continued careful advising, especially of under-prepared students;
3. improved freshman orientation sessions dealing with adjusting to college courses and developing more study skills;
4. implementation of the *Engaging Students in the First Year Initiative* which is a comprehensive curricular and co-curricular initiative to assist new students with their transition to college;
5. enrollment of over 35 percent of new freshmen into First-Year Seminars which provide additional support and instruction to students to increase their chances of success in College; and
6. additional linked courses and learning community formats to facilitate peer support and a more integrated learning experience.

UW Colleges will continue to attempt to reduce the course drop rate. However, given the mission of UW Colleges and the students they serve, a five percent or lower drop rate may not be attainable.

While UW-Oshkosh's annual course drop rate was 5.0 percent, their fall 2005-06 course drop rate exceeded the five percent threshold at 5.2 percent. UW-Oshkosh attributes the increase in the drop rate to a recent change of the course drop deadline from the third week of classes to the sixth week. This change made the UW-Oshkosh deadline similar to the course drop deadlines at other UW institutions. As a positive outcome of the later drop deadline, UW-Oshkosh has observed a 22 percent decrease in the number of students placed on academic probation and suspension.

RELATED REGENTS POLICIES

Resolution 5045 (October 1988); Resolution 6153 (July 1992).

TABLE 1

Annual Course Drop Rates for Undergraduates by Institution

	1989		2000	2001	2002	2003	2004	2005
UW-Madison	At/Below		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-Milwaukee	6.8%		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-Eau Claire	At/Below		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-Green Bay	At/Below		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-La Crosse	5.3%		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-Oshkosh	At/Below		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-Parkside	8.8%		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-Platteville	7.3%		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-River Falls	At/Below		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-Stevens Point	5.5%		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-Stout	At/Below		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-Superior	6.0%		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW-Whitewater	7.2%		At/Below	At/Below	At/Below	At/Below	At/Below	At/Below
UW Colleges*	6.2%		7.9%	7.1%	6.7%	6.6%	6.5%	6.2%

*The 1989 course drop rate for UW Colleges is underreported.

System Total

	1989		2000	2001	2002	2003	2004	2005
UW System	5.3%		3.0%	3.0%	3.2%	3.1%	3.2%	3.5%

I.2. Business, Finance, and Audit Committee

Thursday, August 17, 2006
1920 Van Hise Hall
1220 Linden Drive

9:00 a.m. All Regents

- Lieutenant Governor Barbara Lawton: Wisconsin Leadership in Liberal Education and America's Promise

10:00 a.m. All Regents

- "Building on a Great Idea: Elaborating the Benefits of Higher Education in Wisconsin"
Presentation by John C. Burkhardt, Director of the National Forum on Higher Education for the Public Good at the University of Michigan

11:00 a.m. All Regents

- 2007-2009 Biennial Operating Budget
[Resolution I.A. to adopt 2007-2009 Biennial Operating Budget]
- 2007-2009 Biennial Capital Budget
[Resolution I.B. to adopt 2007-2009 Biennial Capital Budget]

12:30 p.m. Box Lunch

1:00 p.m. Business, Finance, and Audit Committee

- a. Approval of Minutes of the June 8, 2006 Meeting of the Business, Finance, and Audit Committee
- b. Resolutions in Support of the Veterans' Tuition Grant and the Hold Harmless Tuition Grants
[Resolution I.2.b.(1)]
[Resolution I.2.b.(2)]
- c. Update on Criminal Background Checks
- d. Trust Funds
 - (1) Policy Discussion Regarding Investment in Tobacco Interests
 - (2) Sudan Divestment Informational Report
 - (3) Quarterly Investment Report
- e. Audit Update
 - (1) Scope of Work Statement for Review on the Cost of Textbooks
 - (2) Quarterly Status Update: Operations Review and Audit
 - (3) Program Review of Early Return to Work Efforts at UW Institutions
- f. Committee Business
 - (1) Quarterly Gifts, Grants and Contracts Report
 - (2) Committee Goals and Priorities for 2006-07

- g. Report of the Vice President
- h. Additional items, which may be presented to the Committee with its approval
- i. Closed Session to consider trust fund matters as permitted by s.19.85(1)(e)
Wis. Stats.

Veterans' Tuition Grant

BUSINESS, FINANCE, AND AUDIT COMMITTEE:

Resolution:

WHEREAS, the University of Wisconsin was a leader in maximizing the benefits to World War II veterans under the federal G.I. Bill, and has for decades continued the state's commitment to providing opportunities for a higher education to veterans, their families, and students from all walks of life; and

WHEREAS, the unified efforts and leadership of the state Legislature and the Governor made it possible to create, as part of the 2005-07 state biennial budget (2005 Wisconsin Act 25), a 50 percent tuition remission for certain veterans and a 100 percent tuition remission for certain dependents of veterans enrolled at University of Wisconsin System and Wisconsin Technical College System institutions; and

WHEREAS, in the spring of 2006, the Wisconsin GI Bill (2006 Wisconsin Act 468) furthered the state's educational investment and opportunity for economic development by expanding the tuition remission for veterans to 100 percent; and

WHEREAS, recognizing that this expansion will dramatically increase the cost of the program, the Legislature delayed implementation of Act 468 provisions until the 2007-08 academic year to allow time to consider GPR funding for this program in the 2007-09 biennial budget;

THEREFORE, BE IT RESOLVED that the Board of Regents and the institutions of the UW System strongly support the development of a Veterans' Tuition Grant Program as an essential strategy for increasing access to higher education for Wisconsin's veterans and their families; and

BE IT FURTHER RESOLVED that while individual campuses will administer much of the program, the Board applauds the willingness of the Higher Education Aids Board (HEAB) to facilitate the program and urges the state to provide funding to HEAB to support the grants, monitor the program's participation and costs, facilitate data collection and dissemination, and provide participating veterans with a single point of contact for information about the tuition grant program.

Hold Harmless Tuition Grant

BUSINESS, FINANCE, AND AUDIT COMMITTEE:

Resolution:

WHEREAS, the Board of Regents is greatly concerned that children from lower-income backgrounds are facing a future with fewer opportunities and, therefore, has made it a priority to increase the possibility for low-income students to participate in public higher education in Wisconsin; and

WHEREAS, the Governor and the Board of Regents have endorsed a new “college is possible program” called the Wisconsin Covenant; which would ask eligible eighth-grade students to sign a pledge to academically and socially prepare for college, and

WHEREAS, in return for students fulfilling the pledge, the state of Wisconsin would provide students with state grant aid to cover tuition and fees at higher education institutions in Wisconsin; and

WHEREAS, since the earliest a student eligible for the Wisconsin Covenant will enroll in an institution of higher education is 2011, the Board of Regents believes additional grant aid is needed now to assist those lower-income students who are currently attending a UW institution, or who plan to attend prior to 2011;

THEREFORE, BE IT RESOLVED that the Board of Regents of the University of Wisconsin System supports the creation of a Hold Harmless Tuition Grant program designed to increase the probability that financially needy current, and prospective, students will attend and graduate from a UW institution; and

BE IT FURTHER RESOLVED that the Board appreciates the willingness of the Higher Educational Aids Board (HEAB) to administer a Hold Harmless Tuition Grant program, and supports including funding for the program in HEAB’s budget in order to keep college affordable for all financially needy students; and

BE IT FURTHER RESOLVED that the Board requests the statutory language of the UW-Wisconsin Higher Education Grant (WHEG) program be modified to increase the UW-WHEG grant for each recipient by an amount equal to the amount that tuition increases, thereby making it a “dollar for dollar” increase to the grant for all qualified UW students.

08/18/06

I.2.b.(2)

UW SYSTEM TRUST FUNDS POLICY DISCUSSION REGARDING INVESTMENT IN TOBACCO INTERESTS

EXECUTIVE SUMMARY

BACKGROUND

At the meeting of the Business, Finance, and Audit Committee on April 6, 2006, Regent Loftus suggested that consideration be given to instituting a policy of prohibiting further investments in tobacco companies by UW System Trust Funds. This report is intended to provide some background information to support a fuller discussion on this topic.

REQUESTED ACTION

This item is for discussion purposes only.

DISCUSSION

To date, it appears that the only wide-spread divestment/screening activities conducted by peer universities have been those directed against companies that did business in apartheid South Africa, and, to a lesser extent, against tobacco companies. UW System Trust Funds did divest of companies doing business in apartheid South Africa, but no decision to divest of and screen out tobacco company investments has been made to date. Current investment holdings identified as tobacco-related total almost \$1.4 million, representing 0.37 percent of total assets. The attached report discusses public policy developments, divestment/screening activities by other institutions, complicating factors and issues, and offers some conclusions and policy alternatives for consideration.

RELATED REGENT POLICIES

Regent Policy 97-1: Investment and Social Responsibility

UW SYSTEM TRUST FUNDS POLICY DISCUSSION REGARDING INVESTMENT IN TOBACCO INTERESTS

Introduction

At the meeting of the Business, Finance, and Audit Committee on April 6, 2006, Regent Loftus suggested that consideration be given to instituting a policy of prohibiting further investments in tobacco companies by UW System Trust Funds. This report is intended to provide some background information to support a fuller discussion on this topic. The discussion begins below with a very brief history of the Committee's past involvement with the "tobacco issue."

In 1990, the Business and Finance Committee discussed a letter from an anti-tobacco activist who was then a UW teaching assistant, asking that the University divest from tobacco companies. The Committee decided at that time that divestment was not warranted, and a response to that effect was provided to the activist. Internal records indicate that, other than tobacco investments occasionally being cited by students and faculty during the Public Investment Forum, tobacco divestment was not specifically taken up again by the Board until 2001. A brief document on tobacco was presented to the Committee, noting that the University of Michigan and University of Washington had just recently implemented "no tobacco" policies. The suggestion was made by staff that the UW System could consider similar action; the Committee decided not to pursue a divestment policy at that time.

The Tobacco Issue and Public Policy Developments

The public health issues surrounding tobacco usage are widely known today, despite the industry's past efforts to conceal the health risks and current efforts to produce "safer" tobacco products. A 2005 Background Report from The Investor Responsibility Research Center (IRRC) entitled, "Tobacco Production and Marketing," provides a good current synopsis of the health issues:

"The magnitude of the health problems associated with tobacco use cannot be fully appreciated until they are examined on a global scale. There are now about 1.3 billion smokers worldwide, and consumption is rising by 1 or 2 percent a year. Seventy percent of smokers live in developing countries, a figure that is expected to rise to 85 percent by 2025. By 2010, the number of people who die annually from tobacco-related disease is expected to reach 5 million. Given current trends, deaths caused by smoking will increase from 9 percent of all deaths each year to more than 12 percent in 2020—exceeding the toll from AIDS, tuberculosis, automobile accidents, maternal mortality, homicides and suicide combined. The World Health Organization estimates that the death toll will rise to 10 million a year by 2030."

Regarding U.S. public policy developments, in 2004, for the second year in a row, Congress proposed but failed to pass legislation that would give the Food and Drug Administration the authority to regulate tobacco products. A similar bill was reintroduced on March 17, 2005 (one that surprisingly has the backing of Altria, the parent company of Phillip Morris), and presumably such bills remain under Congressional consideration at this time. Regarding public policy developments internationally, the 2005 IRRC Background Report provides the following summary:

“Since 2000, the 191-member World Health Assembly, the governing body of the World Health Organization, has been working toward the adoption of a Framework Convention on Tobacco Control (FCTC). The FCTC is the first international treaty to address a health issue. Before entering into effect, 40 countries had to adopt corresponding national legislation accepting its terms. That happened last November, triggering a 90-day countdown for its entry into force. The FCTC officially went into effect on Feb. 27, 2005. The World Health Assembly unanimously adopted the FCTC in May 2003, following almost three years of negotiations. During the year that followed, while it was open for signature, 167 countries and the European Community signed, including the United States. As of this writing, a total of 57 countries have become contracting parties by ratifying its terms. Countries that adopt the FCTC must do so without amendment. Specific provisions include termination of tobacco advertising (subject to national constitutional constraints), putting new graphic warning labels on cigarette packages, limiting exposure to environmental tobacco smoke and promoting smoking cessation programs, among other things. The tough final text approved by treaty negotiators means that some major nations, including the United States and China, might not recommend its adoption as national legislation. There is no deadline for countries to become contracting parties. The Bush administration has yet to submit the FCTC to the Senate for ratification, and it remains unclear whether it will do so. According to the White House, the treaty’s legality is being reviewed by the State Department.”

Tobacco Divestment/Screening Activities

Divestment and screening of tobacco investments first took place among U.S. institutional investors in the 1980s, when public health groups like the American Medical Association and American Cancer Society began selling and screening their investments. Then in the early 1990s, universities such as Harvard and Johns Hopkins followed suit. In early 2000, the University of Washington became the first public university system to divest and screen. Since that time, the following additional universities have implemented “no tobacco” policies: University of Michigan, University of California, Northwestern University, City University of New York, and Wayne State University. A report by the IRRRC entitled, “Tobacco Divestment and Fiduciary Responsibility,” stated that as of 2000, six states, ten major municipalities, and more than 15 colleges and universities had set policies to restrict or divest of tobacco investments.

Without talking directly to people involved with these “no tobacco” decisions, most of which were made five or more years ago, it is difficult to divine the thought processes they went through and how distinctions were drawn between tobacco and other products, companies, and industries that could also be considered “socially irresponsible.” There are some clues here and there, however. From the University of Michigan’s web site, the following information was available regarding their divestment decision:

“In June 2000, the University of Michigan’s Board of Regents voted to divest from the University’s stock holdings in tobacco manufacturing companies. The campaign to divest began in the late 1990s when a faculty member on the executive committee of the University of Michigan Faculty Senate Assembly raised the issue. The executive committee subsequently released a report that spurred a recommendation to divest by the Faculty Senate. This resolution was supported by the University of Michigan Student Assembly.

Other student organizations and members of the college community also opposed the University's tobacco stock holdings.

As divestment became an increasingly debated topic across campus, University President Lee Bollinger [now President of Columbia University] ordered the formation of the Ad Hoc Advisory Committee on Tobacco Investments in September 1999 to explore the University of Michigan's tobacco investments more carefully.

A six-month investigation by the Committee on Tobacco Investments focused on two major questions:

1. What features differentiate tobacco industry products and activities from those of other industries, warranting divestment from tobacco stocks?
2. Does investment in tobacco company stock represent such a contradiction to the University's mission that divestment is ethically necessary?

Other issues taken into account by the Committee included:

- Whether divestment from tobacco would result in a "slippery slope" of divesting from other companies or industries whose business ethics could be called into question.
- How the Michigan State Legislature might respond to divestment by a state institution.
- Whether University policy dictated that investments be based solely on financial factors. Notably, a precedent for divestment on moral and ethical grounds had been set in 1978 when the Board of Regents voted to divest from companies operating in South Africa, as a means of opposing apartheid.

The Committee on Tobacco Investments received over 200 emails regarding tobacco divestment. In numerous public and electronic forums the community response was overwhelmingly in favor of divestment. The State Legislature also indicated that they would not oppose divestment.

The Committee concluded that divestment was warranted based on the following factors that were in direct contrast to the University's educational mission:

- The public health threat posed by tobacco products.
- The dishonest actions of the tobacco companies who knowingly deceive the public about the health risks associated with tobacco use.
- The tobacco industry's tradition of targeting youth consumers.

Results: The University of Michigan's Board of Regents voted in favor of divestment, which took place over a period of ten months. The university divested from a list of companies compiled by The Investor Responsibility Research Center, a non-profit organization that provides investment information. The University of Michigan was among the first major public universities to divest from tobacco stocks."

Although it is not clear that the University of Arizona has investment restrictions against tobacco (it appears that their investments reside primarily with the University's Foundation), the school's

Zuckerman College of Public Health instituted a policy against accepting tobacco money for research. Their web site states the following primary rationale:

“Tobacco is the only manufactured product that if used as intended, causes harmful health effects and has no redeeming benefits to individuals or our society. Overwhelming scientific evidence has accumulated that shows tobacco use to be the single greatest cause of preventable disease, disability and death in the United States.”

Public pension plans (and their related state governments) have not been as active as universities in establishing tobacco investment restrictions to date. As mentioned earlier, in 2000, only six states had implemented such policies. Massachusetts was apparently one of the first, enacting a policy into law in 1997. The web site of their public employee retirement system notes that “the statute prohibits retirement systems from making any new investments in stocks, securities, or other obligations of any company which derives more than 15% of its revenue from the sale of tobacco products.” (Interestingly, it also states, “In applying the statute to pooled funds, [the retirement system] will assess the 15% rule against the entire pool as the board is purchasing shares in the pool, not the individual holdings of the pool.”) It does not appear that the State of Wisconsin Investment Board currently has any restrictions on tobacco company investments.

Also, to satisfy investor interest in tobacco-free investing, the investment management industry has developed both retail and institutional mutual funds that screen out tobacco company securities. Both actively-managed and passively-managed (or “index”) tobacco-free funds are available.

UW Trust Funds Tobacco Investments

Given below are UW Trust Funds’ current holdings in companies identified as falling within the tobacco industry classification.

Company	Country	Security Type	Market Value	Separate Account ?
KT&G Corp.	South Korea	Equity	\$325,183	No
US Tobacco Inc.	USA	Debt	\$309,257	Yes
Gallaher Group PLC	UK	Equity	\$276,796	No
Remgro/Reunert LTD	South Africa	Equity	\$237,408	No
Souza Cruz SA	Brazil	Equity	\$133,394	No
Shanghai Industrial Holdings	Hong Kong	Equity	\$81,645	No
Total			<u>\$1,363,683</u>	

It should be noted that all of the above holdings, with the exception of US Tobacco bonds, are held within commingled or institutional mutual funds. These holdings could therefore not be divested, nor future screenings implemented, unless UW Trust Funds divested its entire positions in these funds (in this case, the UBS International Equity Relationship Fund and the GMO Emerging Markets Fund III). These mutual fund positions now total \$72 million, or some 22 percent of the UW Long Term Fund. The tobacco holdings cited above (in both separate and commingled funds), represent 0.37 percent of total Trust Funds assets.

Complicating Factors and Issues

UW Trust Funds staff believes that eliminating tobacco companies from the universe of investable companies would not unduly restrict investment options nor compromise the primary fiduciary responsibility of seeking optimal investment returns, for both donors and beneficiaries. However, staff does believe strongly that, where investments are to be made through institutional mutual or commingled funds, limiting the universe to only tobacco-free funds would unduly restrict investment options and compromise our fiduciary responsibilities at the present time. Given the level of UW Trust Funds assets, institutional mutual or other such commingled funds are frequently the vehicle of choice (particularly for international and private equity investing) for one or more of the following reasons:

- All-in investment costs may be significantly lower.
- Minimum investment levels for a separately-managed account may be too high.
- A separate account may be too small to achieve sufficient investment diversification.

To ignore the advantages of commingled funds, restrict the universe to “tobacco-free” funds, or potentially eliminate an entire investment asset class from consideration if “tobacco-free” funds are not available, all in the name of eliminating any tobacco-related investments would seem to be imprudent. A better approach would seem to be eliminating tobacco holdings as and when we have the ability to do so without otherwise compromising fiduciary responsibilities.

Another potentially complicating factor in a university’s decision to divest of and screen out investments in a particular company or an entire industry, is whether and how such an anti-company/industry position is to be applied “campus-wide.” For instance, it would seem inconsistent and even hypocritical to not prohibit any and all dealings with that company/industry. Such other dealings would include accepting research money/grants or outright gifts, or conducting any business with these entities. (From the University of California – San Francisco web site, it was learned that the system divested its tobacco holdings in 2001, and in 2004, faculty at several UC campuses voted in favor of policies against acceptance of tobacco industry funding for research. It is unclear at this time whether this policy has been officially adopted by the UC System.)

Also complicating matters, is the fact that many large companies today have multiple business lines and/or distinct subsidiaries, some of which may not be “offensive.” For example, Altria is the parent company of both Phillip Morris and Kraft Foods. In such cases, does one apply a “percent of total revenue” approach (e.g., the State of Massachusetts uses a 15 percent threshold), exclude companies with any tobacco-related revenue, permit other business dealings (including acceptance of research money/gifts) with non-tobacco subsidiaries or business units, etc.? (Presumably in the vast majority of cases, only the parent company issues debt and equity securities. This would seem to preclude the possibility of making any distinction between “good” and “bad” subsidiaries for investment purposes.)

Finally, many universities have legally separate and privately-governed foundations that support their mission. It must at least be acknowledged that these foundations may not apply the same policies (investment or otherwise) as do the institutions they support.

Conclusions and Policy Alternatives

To date, it does appear that the only wide-spread divestment/screening activities conducted by peer universities have been those directed against companies that did business in apartheid South Africa, and, to a lesser extent, against tobacco companies. Clearly, many universities were able to make a distinction between such companies' activities or products and other perceived evils. For tobacco, this distinction was conveyed in the University of Michigan's web site discussion. That distinction was echoed by then-Secretary of Health and Human Resources Louis W. Sullivan, who said in 1990, "Cigarettes are the only legal product that when used as intended cause death."

Given all of the foregoing discussion on the tobacco issue and various complicating factors, there seems to be only a few possible broad policy alternatives:

1. Do not divest/screen, recognizing that tobacco products remain legal substances and that it is difficult or impossible to sever all ties with an entire industry in a consistent fashion.
2. Divest/screen tobacco-related investments where prudently feasible.
3. Divest/screen tobacco-related investments where prudently feasible, and institute a system-wide policy prohibiting all dealings with tobacco companies.

Should the Regents decide that a clear distinction can and should be made for tobacco (and potentially other products in the future), Trust Funds' staff suggests that the following specific policy components be considered:

- Add to Regent Policy 97-1, "Investment and Social Responsibility," a statement along these lines:

Companies or industries whose primary lines of business are the manufacture, marketing, sale or distribution of products that directly cause substantial social injury, where there can be no reasonable justification for their use in any circumstances, will not be considered for future investment and current holdings will be divested.

Lines of business currently identified as such: tobacco.
- Any such investment restrictions will be applied where separate investment accounts are used. Where mutual or commingled funds are the preferred or only vehicles available, their investment managers and/or boards will be notified in writing of the UW's position on tobacco investments and will be asked to consider divestment and screening.
- Where such companies or industries are so identified, all UW institutions will be prohibited from accepting funds or conducting any business with either a parent company or any "offending" subsidiary. This prohibition will not apply to dealings with any clearly-identifiable "non-offending" subsidiaries.

UW SYSTEM TRUST FUNDS SUDAN DIVESTMENT INFORMATIONAL REPORT

EXECUTIVE SUMMARY

BACKGROUND

A campaign encouraging universities and pension funds to divest of companies doing business with Sudan has gained momentum in recent months. “Divestment activists are invoking the days of widespread divestment in companies doing business in South Africa, hoping to pressure a regime that has allowed, and probably been complicit in, the deaths of some 200,000 civilians and the displacement of over a million more.” [Voorhes 2006] And although U.S. sanctions currently prohibit U.S.-based companies from importing or exporting goods and technology to Sudan, or financially supporting Sudanese government projects, non-U.S. companies are not subject to these restrictions.

REQUESTED ACTION

This item is informational only.

DISCUSSION

Ten states have passed laws or resolutions related to Sudan investments, and legislatures in eight more states are considering mandatory divestment bills. In addition, University endowments across the country are facing pressure to sell their holdings in companies doing business in Sudan. Included among those universities which have already divested at least some of their assets are the following: the University of California system, the University of Maryland, the University of Pennsylvania, the University of Vermont, the University of Washington, Amherst, Boston University, Brandeis, Brown, Columbia, Harvard, Princeton, Smith, Stanford, Swarthmore, Williams College, and Yale. Divestment campaigns are also under way at several other universities including Indiana University and the University of Virginia.

Although Institutional Shareholder Services (the UW Trust Funds proxy and social issue research provider) has identified 20 holdings in the Trust Funds portfolio with possible ties to Sudan, only four of these have been commonly targeted for divestment by other universities. These holdings are valued at approximately \$1.2 million, representing 0.40% of the UW Long Term Fund. The attached report discusses public policy developments, divestment/screening activities by other institutions, and UW’s Sudan-related investments.

RELATED REGENT POLICIES

Regent Policy 97-1: Investment and Social Responsibility

Regent Policy 78-1: Investment of Trust Funds

Regent Policy 78-2: Interpretation of Policy 78-1 Relating to Divestiture

UW SYSTEM TRUST FUNDS SUDAN DIVESTMENT INFORMATIONAL REPORT

Background

A campaign encouraging universities and pension funds to divest of any companies doing business in Sudan has gained momentum in recent months. “Divestment activists are invoking the days of widespread divestment in companies doing business in South Africa, hoping to pressure a regime that has allowed, and probably been complicit in, the deaths of some 200,000 civilians and the displacement of over a million more.” [Voorhes 2006]

In Darfur, a province on Sudan’s western edge and bordering Chad, militias believed to be acting with the cooperation of the Khartoum government are killing, raping and displacing members of the Fur, Masalit and Zaghawa indigenous tribes. Some members of these tribes have rebelled against the Khartoum government, but the attacks are not limited to people known to be involved in the rebellion, and the violence seems to be rooted in a desire by the militias to take over the tribes’ land. Like much of the recent violence in Sudan, the Darfur conflict pits light-skinned, Arab-speaking people affiliated with the Khartoum government against dark-skinned people who speak African languages. Unlike the Khartoum government’s long-running wars with Christian rebel movements in the south, the Darfur conflict involves violence by Muslims against other Muslims. [Voorhes]

Public Policy Developments

Because of its harboring of Osama bin Laden in the 1990s and suspected sponsorship of various terrorist groups, Sudan is on the U.S. State Department’s list of state sponsors of terrorism and is subject to sanctions administered by the Treasury Department. In 1997, former President Bill Clinton approved a series of sanctions including a ban against importing or exporting goods and technology to/from Sudan (with the exception of humanitarian goods and certain agricultural products) and against the provision of financial support to Sudanese government projects by U.S. entities; these sanctions also imposed a total freeze of all assets of the government of Sudan. Therefore, no U.S. companies should be active (legally) in Sudan, with the exception of a handful of companies that have sold humanitarian goods there with the permission of the Office of Foreign Assets Control. It should be noted, though, that these sanctions were put in place before the Darfur situation fully developed and were occasioned primarily by Sudan’s classification as a state sponsor of terrorism. The Sudanese government has reportedly taken some action since to try to reform this image, as the sanctions have apparently been felt.

It was not until July of 2004, that the U.S. Congress passed a resolution declaring that the violence in Darfur qualified as genocide. Then-U.S. Secretary of State Colin Powell publicly agreed with that designation. Then, in January 2006, a UN-released report stated that widespread crimes against humanity were occurring in Sudan, but stopped short of using the term genocide. The report did, however, say that individuals involved in the campaign acted with “genocidal intent.” The United Nations has also called for prosecution of Sudanese government officials in the International Criminal Court (ICC). However, the Bush administration, which opposes the ICC, has called instead for the establishment of an

“accountability tribunal” like the one formed to investigate the 1994 genocide in Rwanda. Because Sudan is not a party to the ICC, the court needs the approval of the UN Security Council before it can open an investigation into the Darfur atrocities. With the opposition of the United States, and possibly China, ICC prosecutions are unlikely.

Divestment Activity

On April 5th, Maine joined Illinois and New Jersey as the third U.S. state to mandate divestment of state pension funds from Sudan. Oregon has also passed such a law for its public investment funds, while Louisiana has approved legislation that permits, but does not require, its public funds to shed investments linked to Sudan. Overall, ten states have passed a law or resolution related to Sudan investments. In addition, state legislatures in eight more states (California, Georgia, Indiana, Iowa, Massachusetts, Minnesota, New York, and Rhode Island) are considering mandatory divestment bills, with some variation among the forms of Sudan investment covered by the bills. The Minnesota bill, for example, covers only companies with equity ties to Sudan. [Fetter-Degges 2006]

State legislatures in California, Ohio, and Vermont have each passed resolutions encouraging their states’ pension funds to study their ownership of companies doing business in Sudan and consider divestment. [Fried 2006] In May, the California Public Employees Retirement System (CalPERS) board announced that it would not permit its fund managers to buy shares in nine companies that do business in Sudan. The list of prohibited companies is identical to that released by the University of California Regents in March. These companies, a CalPERS position statement said, “were clearly shown to be providing monetary or military support to the Sudan government, while showing little or no interest in the violence in Darfur or in helping to improve the welfare of the Sudanese people.” The divestment decision is part of CalPERS’s continuing compliance with a resolution passed by the state legislature last year, asking CalPERS and the California State Teachers Retirement System (CalSTRS) to examine their holdings in companies doing business in Sudan in order to ensure that their investments are not furthering human rights abuses. In April, the CalSTRS board adopted a motion stating that the system would “move forward to divest its holdings from companies identified as doing business with the government of Sudan,” using “the same general criteria utilized by the UC Regents.” [Fetter-Degges 2006]

Although the State of Wisconsin has not yet passed any Sudan-related legislation or resolutions regarding the investment of State funds, the State of Wisconsin Investment Board (SWIB) has apparently been researching companies and other state laws for some time. SWIB, in fact, recently asked whether the Board of Regents had taken any action to date, requested a copy of the material that was provided at the June Board meeting, and offered to make their research and work available to the UW in turn.

Regarding other municipalities, last month Providence, Rhode Island became the first U.S. city to divest from investments in companies that do business in Sudan. [Rhode Island Legislative Press] And two weeks ago, New Haven, Connecticut, announced that it would strip municipal employees’ pension funds of investments in companies doing business with the Sudanese government. [Rucker 2006]

University endowments across the country are also facing pressure to sell their holdings in companies doing business in Sudan. Included among those universities which have already divested at least some of their assets are the University of California system, the University of Maryland, the University of Pennsylvania, the University of Vermont, the University of Washington, Amherst, Boston University, Brandeis, Brown, Columbia, Harvard, Princeton, Smith, Stanford, Swarthmore, Williams College, and Yale. Divestment campaigns are under way at several other universities including Indiana University and the University of Virginia. A major campaign has been organized by a national student-led group, the Sudan Divestment Task Force, and is reminiscent of a campaign in the 1980's when student-led groups lobbied 55 universities to remove money from companies affiliated with the South African apartheid regime. [Rucker]

Stanford University's trustees voted, in the summer of 2005, to divest of PetroChina, Sinopec, ABB and Tatneft, all of which are involved in Sudan's oil industry. University President John Hennessy said that ongoing genocide in Sudan is "at least partly enabled by these four companies." Despite media reports to the contrary, the university has not announced a total divestment policy. In March, the University of California Board of Regents voted to divest from nine companies (detailed below along with Trust Funds holdings) doing business in Sudan, its first socially-based divestment since 1986, making California the first major public university system in the nation to take such action. "The University of California has taken a principled stand against the tragedy in Sudan by severing its financial connections from those nine companies who aid the genocide and by lending its voice to those calling for peace in the region," said Gerald L. Parsky, Chairman of the Board of Regents. [UC Regents press release 2006].

At Harvard, the nation's largest endowment, valued last year at \$25.9 billion, activists have urged the university's president "to publicly state that Harvard will not invest in any corporation that conducts business with the Sudanese government for as long as Sudan is in violation of international norms of human rights." Students focused particular attention on the university's stock in PetroChina, which has extensive operations in Sudan. The university has sold its estimated \$4.4 million stake in PetroChina as well as its holdings in Sinopec.

At Yale, the nation's second-largest endowment, valued at \$15.2 billion, the university's governing body ordered endowment managers in February to remove their holdings in seven oil companies doing business in Sudan and ban future investments in Sudanese government bonds. The move followed months of student pressure. [Rucker]

Opposition to Divestment

The National Foreign Trade Council (NFTC), an industry association of companies participating in foreign trade whose lawsuit led to the 2000 Supreme Court decision that overturned a Massachusetts law restricting state purchases from companies operating in Burma, has said that it will challenge the constitutionality of Sudan divestment legislation in U.S. courts. NFTC, in cooperation with its partner organization USA*Engage, plans to challenge the Illinois mandatory Sudan divestment law in court, using the 2000 ruling as a precedent. While many state

legislators and Sudan activists believe that divestment policies are legal, NFTC says imposing these restrictions is unconstitutional since the federal government already enforces sanctions against Sudan. A recent NFTC newsletter article noted that “federal sanctions on Sudan are in place and the administration is actively pursuing diplomacy” and said that state divestment laws “will impede federal policies toward Sudan.” State-level efforts “to legislate U.S. foreign policy—however well-intentioned—are misguided.” NFTC’s lawsuit could be filed as early as June. [Pichardo 2006]

Opposition to divestment is also growing as some pension funds worry about the impact it will have on their private equity prospects. The \$11 billion Chicago Public School Teachers’ Pension Retirement Fund worries that private equity managers, a group already concerned about transparency issues associated with public funds, will close their doors to the fund’s money if forced to adhere to the Sudan ban, says Kevin Huber, executive director. The Chicago fund, along with four other local funds, wrote a letter to state legislators that the law be tweaked to take account of investments in private equity. As a result of the new law, the letter states, state systems will be excluded from most private equity funds, have limited access to Illinois private equity opportunities and be forced into contractual defaults on current holdings. [Pichardo]

Identifying Firms Doing Business in Sudan

Several of the recently passed state bills include recommendations for determining which companies are doing business in Sudan—a question that has become a concern for pension fund administrators even in states where no divestment bills have been considered. Information on companies identified by the U.S. Treasury’s Office of Foreign Assets Control (OFAC) is available for free, but excludes companies that are not subject to U.S. law. New Jersey’s divestment law, like that of Illinois, mentions that a list of companies doing business in Sudan can be provided by “an independent research firm that specializes in global security risk for portfolio determination,” but some state administrators have expressed mistrust of privately-produced lists stating that “fee-based lists provided by private organizations can have a high degree of subjectivity.”

Among the firms currently providing fee-based research lists are Institutional Shareholder Services (ISS), KLD Research & Analytics, and the Conflict Securities Advisory Group. ISS currently has 162 companies on its Sudan list, including 20 U.S. businesses, whereas KLD has 124 companies on its list with 8 U.S. firms. Some companies that appear on these lists declare that they do no business in Sudan, and for at least one, 3M, the involvement was described by the company as aiding the United Nations. [Fried 2006]

Criteria for Divestment

Determining what companies have any business relationships in or with Sudan is one thing, but determining what relationships are or are not aiding and abetting the Darfur oppression and genocide is another matter. Whereas the South Africa divestiture during apartheid was generally a “blanket” application against any and all companies doing business in or with that country, the policy and human rights violations being protested were not perpetrated by the government alone. Rather, the human rights violations occurring in apartheid South Africa were ingrained,

legalized, and institutionalized throughout South African society. The situation in Sudan is different; here, it appears that the Sudanese government and its military are the prime, if not sole, perpetrators and facilitators of the oppression and genocide in Darfur. Some, including the Sudan Divestment Task Force, seem to believe that this distinction may warrant a more “targeted” approach to divestment in Sudan.

More specifically, the Sudan Divestment Task Force, suggests targeting for divestment only those companies/entities that:

1. Provide revenues to the Sudanese government through business with the government, government-owned companies, or government-controlled consortiums.
2. Offer little substantive benefit to those outside of the Sudanese government or its affiliated supporters in Khartoum, Northern Sudan and the Nile River Valley; this “outside” population specifically includes the country’s disaffected Eastern, Southern, and Western regions.
3. Have either demonstrated complicity in the Darfur genocide or have not taken any substantial action to halt the genocide. Substantial action shall include but is not limited to curtailment of operations or public pressure on the Sudanese government. Simple company statements shall not constitute evidence of substantial action.

The Sudan Divestment Task Force also suggests that targeted companies first be notified of the intended divestment and given a short period to take reformatory steps before actual divestment is initiated. This form of initial engagement and then “targeted” divestment has most recently been adopted by the University of California Board of Regents, and is reflected in a divestment bill which was recently passed by the California Assembly (AB 2941) and is now before the California State Senate. The Sudan Divestment Task Force apparently worked with these California institutions in crafting these initiatives. Jason Miller, National Policy Director of the Task Force, stated the following in a letter to the editor of “Pensions & Investments:” “It was our hope and intent to make AB 2941 a compromise between the need for substantive action and the equally important desire to avoid unintended harms to both innocent Sudanese citizens and to portfolio returns. This bill was developed over many months and in close consultation with numerous parties, including foreign policy experts, asset managers, and CalPERS/CalSTRS [the California Public Employees’ and State Teachers’ Retirement Systems] officials.”

UW Trust Funds Sudan-Related Investments

UW Trust Funds subscribes to ISS for social issues research and has access to ISS’s Sudan list for an additional fee (\$2,500 for global firms, \$1,000 for U.S. firms). ISS provided a broad evaluation of UW Trust Funds for Sudan-related holdings and made the following findings:

- 20 companies in the Trust Funds portfolio have ties to Sudan.
- U.S. companies: 4
 - with equity ties: 1
 - with non-equity ties: 2
 - with other affiliations: 1

- Non-U.S. companies: 16
 - with equity ties: 7
 - with non-equity ties: 4
 - with other affiliations: 5

“Equity-ties” indicate that a firm has employees and/or facilities in Sudan, while “non-equity ties” and “other affiliations” indicate business transactional relationships of some kind.

The nine companies divested by the University of California Board of Regents include the following: Bharat Heavy Electricals Ltd., China Petroleum and Chemical Corp. (Sinopec), Nam Fatt Co. Bhd., Oil & Natural Gas Co. Ltd., PECOD Bhd., PetroChina Company Ltd., Sudan Telecom Co. Ltd. (Sudatel), Tatneft OAO, and Videocon Industries Ltd. UW Trust Funds currently holds three of those nine companies as well as one other Sudan-related firm as shown in the chart below. These four companies are the only identifiable Sudan-related investments held by UW Trust Funds based on current information. Staff is researching other possible Sudan-related holdings.

Company	Country	Security Type	Market Value	Separate Account
PetroChina	China	Equity	\$ 668,738	No
China Petroleum & Chemical	China	Equity	\$ 368,901	No
Siemens AG	Germany	Equity	\$ 132,793	No
Bharat Electricals Ltd	India	Equity	\$ 41,620	No
Total			<u>\$ 1,212,052</u>	

It should be noted that all of the above holdings are held within commingled or institutional mutual funds. These holdings could therefore not be divested, nor future screenings implemented, unless UW Trust Funds divested its entire positions in these funds (in this case, the UBS International Equity Relationship Fund and the GMO Emerging Markets Fund III). These mutual fund positions now total \$63.5 million, or 20.9% percent of the UW Long Term Fund. The Sudan-related holdings cited above represent 0.40 percent of the Long Term Fund’s assets.

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**Office of Operations Review and Audit**

780 Regent Street, Suite 210
Madison, Wisconsin 53715
(608) 263-3156 Fax: (608) 262-5316
website: <http://www.uwsa.edu>

DATE: August 1, 2006

TO: Board of Regents Business, Finance, and Audit Committee

FROM: Ron Yates, Director 

SUBJECT: Program Review of Textbook Costs

In response to Regent Pruitt's request, the Office of Operations Review and Audit has gathered background information and developed a proposal for topics that could be included in a review of textbook costs.

Background

At a time when students are facing rising tuition and fees, there is increasing concern about the impact of rising textbook costs on students' access to college. The General Accounting Office (GAO) conducted a review and issued a report in July 2005 that described factors that drive textbook costs. The review found that textbook and supply costs had increased faster than inflation and that students spent nearly \$900 for books and supplies in 2003-04, an increase of 186% within the last two decades. Publishing industry experts disputed this figure, noting that the GAO analysis included supplies, and suggesting that average costs were closer to \$500 or \$600 per student. The GAO report found that a large part of the price increase was due to increased investment in new products to enhance instruction and learning.

The State Public Interest Research Group's Higher Education Project advocates for lower textbook costs through its national Campaign to Make Textbooks Affordable. According to this group, among the factors driving up textbook costs is the practice of "bundling" workbooks, CD-ROMs, and other consumable materials with textbooks. Also, frequent revisions of textbooks both add to the cost and cause used textbooks to become quickly obsolete.

Legislative action in this area includes a bill passed by the U.S. House of Representatives in March 2006, H.R. 609, "College Access and Opportunity Act of 2006." Section 930 expresses the sense of the House Committee on Education and the Workforce that certain actions should occur to make college textbooks more affordable for students: (1) textbook publishers should provide students with the option of buying materials "unbundled;" (2) textbook publishers should work with faculty to understand the cost to students of purchasing the textbooks that faculty recommend; (3) college bookstores should work with faculty to assure timely disclosure of textbook costs to faculty and students; and (4) colleges and universities should implement options to address textbook affordability. The bill has been placed on the calendar in the Senate.

Several states have also taken action to control textbook costs. For example:

- The Virginia legislature recently enacted a state law requiring public universities to adopt textbook guidelines that would encourage professors to be aware of costs and discouraging them from using newer, more expensive texts that do not differ substantially from older ones.
- Washington law requires state universities to promote textbook buyback programs and give students the option to purchase “unbundled” textbooks.
- Several states have considered exempting textbooks from state sales tax. The Wisconsin legislature considered, but rejected, such a proposal in 2001.
- In 2004 the Governor of Illinois requested that the Illinois Board of Higher Education review textbook costs. In response, the Board’s Student Advisory Committee issued a report in August 2005 that included a range of recommendations that could be implemented at the institution and statewide level to help control textbook costs.

Studies in other states have cited Wisconsin’s textbook rental programs as a model for controlling textbook costs. Seven of the eleven UW comprehensive institutions offer textbook rental programs, and two of the thirteen UW Colleges offer textbook rental.

Review Objectives

A program review would examine approaches used to contain textbook costs. A review would provide information about: (1) average textbook costs, cost increases, factors contributing to textbook costs, and reasons for increases; and (2) approaches used by UW institutions and higher education institutions in other states to contain textbook costs. Based on our preliminary research, we plan to focus the review on the following objectives and questions:

- **Identify trends in textbook costs.** What is the average amount university students spend on textbooks? How much have textbook costs increased over time? How do textbook costs compare to average total tuition and fees? What factors determine textbook costs? Do UW System institutions collect data describing estimated textbook costs, such as cost estimates developed by financial aid officers? If so, what do the data show about trends in textbook costs for UW students?
- **Identify approaches used by UW institutions to contain textbook costs.** Some UW institutions have already examined textbook costs. UW-Madison and UW-Milwaukee each established a committee in 2004 to examine textbook costs. What recommendations were made? Were any recommendations implemented, and what were the results? To what extent have UW institutions without textbook rental programs analyzed the feasibility of establishing such a program? If so, what was the result of those analyses?
- **Identify approaches used elsewhere for containing textbook costs.** What approaches does the literature recommend for containing textbook costs? What role does the faculty play in determining textbook costs, and how much discretion do faculty members have in this area?

What approaches might students use to keep their textbook costs down? What institutional or systemwide efforts or legislative initiatives may help to control textbook costs?

Methodology

We estimate that this review will take approximately six to eight months to complete. Methods used to accomplish the review objectives will include: (1) reviewing existing reports and studies describing textbook costs and factors contributing to textbook cost increases; (2) conducting Internet research to identify approaches used by institutions in other states to control textbook costs; and (3) interviewing UW institution administrators, faculty, and students, as appropriate, to identify trends in UW textbook costs and cost-control measures. Interviewees may include UW bookstore managers, financial aid administrators, and/or participants in workgroups that have assessed textbook-cost issues.

OFFICE OF OPERATIONS REVIEW AND AUDIT QUARTERLY STATUS UPDATE

BACKGROUND

This report is presented to the Board of Regents Business, Finance, and Audit Committee to provide: (1) a status report on the major projects the UW System Office of Operations Review and Audit is conducting; and (2) an update on Legislative Audit Bureau projects in the UW System.

REQUESTED ACTION

For information only.

MAJOR OFFICE OF OPERATIONS REVIEW AND AUDIT PROJECTS

- (1) 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 has been completed.
- (2) Police and Security Operations examines the authority and responsibilities of campus police and public safety operations, services provided, and administrative issues. A report was completed, and an update on the implementation of the recommendations will be provided at a future meeting.
- (3) Academic Performance Standards in NCAA Division I and II UW Athletic Coaches' Contracts examines institutions' efforts to support the academic success of student-athletes, as well as NCAA academic performance guidelines. A report is being drafted and is due to be presented at the October 2006 meeting of the Business, Finance, and Audit Committee.
- (4) Computer Security Policies, Procedures, and Practices examines how computer security functions are structured and managed at UW institutions and the extent to which the institutions have adequate safeguards to minimize the risk of unauthorized access to private information. Fieldwork is beginning.
- (5) Oversight of Student Organizations identifies efforts to manage risk and reduce liability associated with student organization activities. A report is being drafted.
- (6) Tuition Waivers will review policies and practices related to statutory and other tuition and fee remissions, waivers, and discounts. A report is being drafted.
- (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) is working on several projects related to the UW System. The projects' status is as follows: (1) an overall review of the UW System's personnel policies and practices is continuing and is expected to be issued this fall; (2) a review of the state's economic development programs, including programs in the UW System, is being released in August; (3) a statewide audit of implementation issues related to large information technology systems projects, including a project inventory and best practices review, is beginning; and (4) the annual compliance audit of federal grants and expenditures for FY 2005-06 is underway.

Office of Operations Review and Audit



Program Review

Early-Return-to-Work Efforts at UW Institutions

January 2006

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EXECUTIVE SUMMARY

Early-return-to-work initiatives consist primarily of monitoring the medical status of ill or injured employees and accommodating employees' medical restrictions in the workplace, whenever feasible. Studies have shown that such efforts provide benefits, such as enhancing the recovery of the employee, preserving the employees' financial stability, maintaining productivity, and improving employee morale. UW System policy on early return to work was adopted in 1994. It encourages but does not require that UW institutions establish a formal return-to-work program. This review identified formal early-return-to-work efforts at nine UW institutions: UW-Madison, Milwaukee, Eau Claire, Green Bay, Parkside, Stevens Point, Stout, Superior, and Whitewater. UW-River Falls also established a formal early-return-to-work initiative since the review was completed.

Workers' Compensation and Early Return to Work

Most early-return-to-work initiatives are designed for employees whose injuries and illnesses are covered by workers' compensation, with the goal of returning them to work as soon as it is medically feasible. Studies have found that successful early-return-to-work efforts may save 25 to 50 percent in payments for workers' compensation lost-time claims. The literature suggests that an effective, comprehensive program can successfully achieve a 50- to 88-percent return-to-work rate.

The Office of Operations Review and Audit analyzed data covering a three-year period from six UW institutions that maintained participation information and found that these institutions served from 17 to 93 percent of their lost-time claimants in a return-to-work initiative, with an overall average of 56.5 percent. The amount paid for lost-time claims increased at a lower rate at institutions with a formal return-to-work program than at institutions without a formal program. While other factors may have influenced lost-time claims costs, this analysis suggests that early-return-to-work efforts may have contributed to controlling them.

Implementation and Good Practices

The literature highlights a range of activities that could improve the effectiveness of return-to-work initiatives. These include: continually improving return-to-work efforts through data-driven processes, using coordinators that are fully trained in early intervention strategies, establishing formal policies, and communicating a strong return-to-work expectation.

The UW System Office of Safety and Loss Prevention established a systemwide policy that describes responsibilities for implementing early-return-to-work initiatives and best practice approaches. We found that not all UW institutions have established a formal policy, but institutions that do not currently offer a formal return-to-work policy may still be accommodating workers' injuries on a case-by-case basis. The report recommends that all UW institutions: 1) establish a formal policy to assure that procedures for managing illness and injury cases are handled consistently; 2) collect and analyze data that will allow for the ongoing evaluation and improvement of early-return-to-work efforts; and 3) document information about

job duties by developing job function analyses, particularly for position categories in which injuries occur most frequently.

Most employers are able to accommodate ill or injured employees by modifying the employees' existing duties. However, UW staff reported that sometimes it can be difficult to find available work. The literature suggests that employers identify potential alternative work duties before they are needed.

The report identifies some potential financial disincentives for return-to-work programs. A department's budget is typically not affected by workers' compensation payments, because these benefits are paid from a separate fund. However, once an employee returns to work, the department once again pays his or her wages. UW staff noted that some departments may not be able to afford to pay the wages of both an employee who is unable to complete their job duties and a temporary employee. Some other states have established financial incentives for employers to bring employees back to work as soon as it is feasible.

Integrating Return-To-Work with Other Disability Benefits

The report reviews efforts to integrate return-to-work initiatives with other disability benefits. If an employee returns to work during the waiting period for the state's income continuation program and then leaves work again because they are not fully healed, the waiting period for the program begins, with no credit given for previous time away from work. The report recommends that UW System staff work with the state Department of Employee Trust Funds to reduce or eliminate the disincentives for early return to work in the income continuation policy.

Agencies are required to comply with a range of rules and regulations related to disabilities, such as the ADA, the Family and Medical Leave Act of 1993, and the Rehabilitation Act of 1973, as well as collective bargaining agreements and internal policies. An integrated disability program could help to meet regulatory requirements and simplify the process for applying for benefits by consolidating services designed to manage disabilities. The report encourages UW System Administration and UW institutions to explore whether an Integrated Disability Program, or components of such a program, could be beneficial to UW System.

INTRODUCTION

The Office of Operations Review and Audit reviewed the implementation of Early Return to Work (ERTW) initiatives for ill or injured employees at UW institutions. The purpose of this review was to identify: 1) the extent to which UW institutions have established return-to-work initiatives; 2) cost savings of these initiatives; 3) the number of UW employees served; 4) approaches used to implement early return to work; 5) barriers, if any, to the successful implementation of early-return-to-work efforts; and 6) best practice approaches for implementing early return to work. The review was conducted in response to a request from the University of Wisconsin System Office of Safety and Loss Prevention.

To conduct the review, Office of Operations Review and Audit staff surveyed all UW institutions to identify those institutions that have established an early-return-to-work program; conducted follow-up site visits to UW-Madison, Eau Claire, Parkside, Stevens Point, Stout and Whitewater; and collected information from UW-Milwaukee and UW-Green Bay to identify methods those institutions used to implement early-return-to-work strategies. Operations Review and Audit staff also interviewed staff at the Department of Transportation about the approach that agency uses to facilitate early return to work, reviewed early-return-to-work approaches used in other states, and analyzed existing workers' compensation data to identify potential cost savings.

BACKGROUND

Studies show that a 25-year-old worker has a 40-percent chance of becoming disabled for more than ninety days before reaching retirement age. Early-return-to-work efforts are designed to return employees who have been injured or become ill to work as soon as it is medically feasible to perform job duties. Early-return-to-work initiatives consist primarily of monitoring the medical status of the injured and ill employees and accommodating employees' medical restrictions. Studies have demonstrated both financial and social benefits to early-return-to-work initiatives. UW System policy summarizes these benefits, noting that early return to work:

- enables the injured employee to continue a productive life, enhancing both psychological and physical recovery, according to the American Occupational Medical Association's Committee on Practice;
- increases the likelihood that injured employees will successfully return to their full-time jobs, since injured employees who are off work longer than six months have only a 50-percent chance of ever returning to their jobs;
- reduces the costs of replacing the employee, overtime costs, retraining costs, and loss-of-production and related costs;
- improves workplace morale;

- reduces medical costs, because the injured employee heals more rapidly, shortening the time medical treatment is needed; and
- reduces legal costs, because employees returning to work may be less likely to believe their rights have been violated.

Programs that return employees to regular employment as quickly as possible are important for restoring and preserving employees' financial stability. Social Security benefits and, if available, disability insurance cover only a portion of an employee's full wages. Studies show that work loss caused by a disability is a leading cause of bankruptcy and foreclosure in the United States. For example, one study found that 60 percent of disabled workers are in financial trouble after being out of work for 14 days.

DISCUSSION AND RECOMMENDATIONS

While some early-return-to-work initiatives provide services to employees with non-work-related injuries and illnesses, most programs are designed for work-related injuries that are covered by workers' compensation, with the purpose of reducing workers' compensation costs. Studies have found that successful early-return-to-work efforts may save 25 to 50 percent in workers' compensation lost-time claims and that organizations may realize a return on investment of as much as \$9 for every dollar spent on a return-to-work strategy. We reviewed: the relationship between workers' compensation and early return to work, good-practice approaches to early return to work, implementation challenges, and ways to integrate early return to work and other disability benefits.

WORKERS' COMPENSATION AND EARLY RETURN TO WORK

Most early-return-to-work programs are designed to reduce the amount paid for "lost time" workers' compensation claims, or claims that result in absenteeism. We briefly reviewed the system used to handle workers' compensation claims, reviewed early-return-to-work participation, and evaluated the potential impact of UW early-return-to-work initiatives on workers' compensation costs.

Workers' Compensation Overview

Workers' compensation coordinators at each UW institution except UW-Madison collect claims submitted by injured employees and then forward the claims to the UW System Office of Safety and Loss Prevention. The Office of Safety and Loss Prevention delegated authority to UW-Madison to manage its own employee's claims. UW System or UW-Madison claims handlers determine whether an employee is entitled to compensation based on such information as medical reports and supervisors' statements about the incidents leading to injury. Claims handlers routinely monitor medical information throughout the healing process to determine whether an employee may be ready to return to work; bring in rehabilitation nurses to help manage a case, when appropriate; and work with institutional staff to assure that employees

return as soon as it is medically feasible. Claims handlers base decisions on Wisconsin workers' compensation law.

UW claims handlers have access to a range of services that are coordinated by the state Department of Administration (DOA) to assist with the claims process. Unlike many other states, state statutes allow employees in Wisconsin to choose their medical provider for the treatment of work-related injuries. However, s. 102.13, Wis. Stats., allows employers to request that an injured worker submit to reasonable examinations by a medical provider of the employer's choice to determine compensability, the extent of disability, and the necessity and type of treatment, as well as to evaluate permanent disability or loss of earning capacity. Medical case managers are typically assigned to difficult cases where medical treatment is complex, the employee is less able or willing to return to work, or the state agency needs assistance managing the process. Rehabilitation nurses are trained to obtain treatment plans and work with the employee, employer, claims handler, and physician to assure quality care and facilitate an early return to work.

Section 102.08, Wis. Stats., gives DOA responsibility for the delivery of workers' compensation benefits to state employees and their dependents. Benefits are paid from general and program revenue, with UW System claims paid from a central fund account maintained by DOA. DOA assesses a premium each year for each state agency and the university system. The UW System's premiums are calculated based on "experience," or actual claims costs incurred in the previous three years. Workers' compensation premiums have remained fairly stable over time. The UW System paid \$4.1 million in total premiums in fiscal year 2003; \$4.8 million in fiscal year 2004, and \$4.6 million in fiscal year 2005. As a comparison, the UW System paid \$4.7 million for workers' compensation premiums in 1995. Premiums are based on benefits paid to employees for medical expenses, lost time, or medical expenses associated with hazardous duty claims, as well as the costs of administering the program.

Workers' compensation benefits are generally two-thirds of the employee's wages at the time of injury, and the benefits are nontaxable. The maximum weekly benefit in 2005 was \$711. Employees also may use paid leave or income continuation insurance benefits to supplement their benefits. Workers' compensation benefits are deducted from any income continuation payments. The total amount of money employees receive while they are disabled may not exceed the total amount of regular pay. Injured employees who are expected to return to work receive temporary total disability until they reach "end of healing." If an employee is released for part-time work by his or her physician before fully healing, then the employee may be eligible for temporary partial disability payments, which are payments that have been prorated to account for reduced work hours.

Early-Return-to-Work Participation

We contacted UW institutions during the fall of 2004 and found that nine UW institutions had established a formal early-return-to-work program: UW-Madison, Milwaukee, Eau Claire, Green Bay, Parkside, Stevens Point, Stout, Superior, and Whitewater. UW-River Falls also established a formal early-return-to-work initiative after our review period. While staff at the remaining institutions reported that they had not established formal early-return-to-work

programs, they noted that they work with individual employees to return them to work. Therefore, even those institutions that reported having no formal early-return-to-work program still appeared to have mechanisms in place to return some employees to work as soon as feasible. In addition, UW System staff reported that they also actively monitor lost-time claims and help institutions return employees to work as quickly as possible.

We reviewed workers' compensation data, Occupational Safety and Health Administration reports, and data the institutions provided to determine the extent to which employees participated in early-return-to-work efforts between 2001 and 2003. We compared the number of early-return-to-work participants to the number of lost-time claimants under workers' compensation for six of the institutions that reported having formal early-return-to-work initiatives. Lost-time workers' compensation claims are claims that result in absenteeism. Table 1 shows a wide range in the proportion of early-return-to-work claimants. For example, the number of early-return-to-work participants at UW-Eau Claire represented 93 percent of UW-Eau Claire's lost-time claims over a three-year period; the number at UW-Green Bay represented 17.4 percent of lost-time claims during that time. Some of these differences could be due to the individual circumstances involved with each injury. The nature of some injuries may not make it feasible to bring employees back to work early.

Table 1
Number of Early-Return-to-Work Participants as a Percentage of Lost-Time Workers' Compensation Claims at Selected Institutions*

UW INSTITUTION	THREE-YEAR ERTW PARTICIPATION TOTAL (2001-2003)	THREE-YEAR LOST-TIME CLAIMS TOTAL (2001-2003)	ERTW PARTICIPATION AS PERCENTAGE OF LOST-TIME CLAIMS
Eau Claire	53	57	93.0%
Green Bay	4	23	17.4%
Parkside	11	25	44.0%
Stevens Point	25	39	64.1%
Stout	19	36	52.8%
Whitewater	16	24	66.7%
Total	116	205	56.5%

*UW-Superior also reported having a formal ERTW initiative, but it did not report the number of participants.

UW-Madison and UW-Milwaukee reported that the institutions do not routinely track the number of participants in ERTW programs. Lost-time claims are from workers' compensation STARS report.

An article published by the Public Entity Research Institute (PERI) advocated that organizations establish a goal of returning 100% of injured and ill employees to work as soon as they receive a medical release. The author noted that, while this return rate may not be achievable, establishing such a goal creates an incentive for organizations to design effective strategies. On the other hand, institutions must use care not to return employees to work too quickly. If physical restrictions are not followed, employees may re-injure themselves, and healing and recovery may be slowed. An American Academy of Family Physicians article reported that aggressive, multi-disciplinary rehabilitation programs can realistically achieve return-to-work rates as high as 50 to 88 percent.

Workers' Compensation Cost Savings

Literature on early-return-to-work programs suggests that an effective program will reduce workers' compensation costs. We examined claims paid for lost time resulting from work-related illnesses and injuries from 1993 through 2003 to determine if the implementation of early-return-to-work efforts within UW System reduced these costs. Most early-return-to-work initiatives within UW System were implemented in the late 1990s. We compared costs prior to implementation to the most recent three years of experience to determine whether the efforts reduced these costs. We combined three years of experience to help assure that large claims would not distort the comparison, which is an approach consistent with the method used to determine workers' compensation premiums. Table 2 displays this cost analysis, showing the overall trend in lost-time claims and comparing institutions that have formal initiatives with those that do not.

Table 2
Difference in Workers' Compensation Claims Paid at
UW Institutions with and without ERTW Programs

EARLY- RETURN- TO- WORK STATUS	1993-1995			2001-2003			PERCENTAGE CHANGE IN AVERAGE AMOUNT PER CLAIM
	Lost- time Claims	Three- year Total Claims Paid	Average Amount per Claim	Lost- time Claims	Three- year Total Claims Paid	Average Amount per Claim	
Institutions with Program*	1,312	\$9,114,159	\$6,947	760	\$7,968,888	\$10,485	+51.0%
Institutions without Program**	166	\$854,748	5,149	166	\$1,544,223	9,303	+80.7%
Overall	1,478	\$9,968,907	\$6,745	926	\$9,513,111	\$10,273	+52.3%

Source: STARS data for UW System institutions, 1993-2003.

* UW-Madison, Milwaukee, Eau Claire, Green Bay, Parkside, Stevens Point, Stout, Superior, & Whitewater.

**UW-La Crosse, Oshkosh, Platteville, River Falls, Colleges, & Extension. The total number of lost-time claims at institutions without a program coincidentally was identical for the two time periods, even though the number of claims at individual institutions varied during that time.

As the table shows, the average amount paid for lost-time workers' compensation claims increased less at institutions with a program than at institutions without a program, suggesting that strategies that encourage return to work may have helped hold down cost increases at these institutions. Through further analysis, we also found that the average cost per claim decreased during this time at three of the nine institutions reporting that they have a formal early-return-to-work effort; the cost per claim decreased by 58.5% at UW-Green Bay, by 8.6% at UW-Stevens Point, and by 23.6% at UW-Stout. In comparison, only one of the five institutions that reported that it does not have a formal initiative, UW-River Falls, experienced a decline in workers' compensation claims during the same time period.

While these analyses suggest that early-return-to-work efforts may be effective at controlling UW lost-time claims costs, it is difficult to attribute differences in costs savings solely to the effectiveness of return-to-work initiatives. Various factors influence the amount of workers' compensation claims paid. For example, between 1993 and 2003 the maximum weekly benefit for total temporary and partial temporary disability increased from \$450 to \$669 per week, or by 48.6%. In addition, even institutions that do not have a formal early-return-to-work effort may encourage an early return on a case-by-case basis, making comparison more difficult. Also, the actual number of claims is determined by factors outside the control of an early-return-to-work program.

At the same time, there is evidence that encouraging injured employees to return to work does save money. In 1997 UW-Whitewater Risk Management and Safety staff prepared an article for the 44th Annual International Conference on Campus Safety that described the institution's early-return-to-work program. At that time, UW-Whitewater staff estimated that the institution saved approximately \$29,000 in workers' compensation costs over a 24-month period by bringing just nine employees back to work under the institution's early-return-to-work program. The State of Missouri recently reported achieving workers' compensation savings of \$3.3 million during the first two years of a program to strengthen the state's return-to-work requirements for state employees. The Missouri approach requires agencies to return employees as soon as they are released for work by a physician.

GOOD PRACTICE APPROACHES

We conducted a literature review to identify best-practice approaches for effective return-to-work programs. Among our findings was a model approach for delivering early-return-to-work programs. We compared UW practices to the approaches described in the literature to identify opportunities for improving the effectiveness of these efforts. The practices we reviewed are discussed below: emphasizing a collaborative services model, establishing early-return-to-work policies, promoting prompt reporting of injuries, communicating a return-to-work expectation, documenting job functions, and monitoring cases and evaluating the program.

Emphasizing a Collaborative Services Model

According to the article published by the Public Entity Research Institute (PERI), many organizations hastily established return-to-work programs during the 1990s that were not well-conceived or implemented. These programs typically did not fully address all of the components required for an effective strategy, lacked upper management support, and did not provide training necessary for effective implementation. The article reviewed various types of early-return-to-work programs implemented by organizations and identified three types of programs, which are as follows:

- *Basic Model -- Selective Early-Return-to-Work Model:* According to the author, a basic return-to-work program is largely informal. It typically functions within the human resources or risk management department. The organization does not have a formal return-to-work policy, lacks upper-management support for an early-return-to-work program, often

encounters departments that refuse to bring employees back unless they are fully released by a physician, and is managed by staff with other duties. Organizations with a basic model are selective in offering return to work, and the decision to offer modified job duties is usually left to individual departments. Under this model, modified duties are typically offered only to valued employees, and workers' compensation is largely viewed as simply the cost of doing business.

- *Intermediate Model -- Supportive Services Model:* Organizations using a supportive services model have established a formal written policy; have upper-management support; have an individual dedicated to coordinating early return to work within the organization, even if that person has other duties as well; and have established an expectation, shared by the employee, supervisor, and physician, that injured employees will return to work. These organizations provide varying levels of support within the program. Some organizations use vendor case management assistance, some have identified modified work options before they are needed, and some work actively with local physicians to educate them about the organization's return-to-work culture. The author notes that an intermediate level of service may produce significant cost savings during the first few years, but without an approach for assuring continuous monitoring and improvement of the program and with shifting organizational priorities, these savings often fade quickly.
- *Advanced Model -- Collaborative Services Model:* PERI describes an advanced model for providing early-return-to-work services, which it suggests is most effective at reducing costs. Under this model, organizations continuously improve their early-return-to-work programs and display a high level of collaboration and direct contact between the employee and an early-return-to-work coordinator who is fully trained in early intervention case management. In some cases, organizations may use a dedicated nurse case manager to collect information and manage the ongoing relationship with the employee and physician. Organizations using the advanced model use a collaborative, data-driven, and responsive program.

We found that UW early-return-to-work programs appear to fall either under the basic or intermediate model. As noted previously, institutions that reported having no formal early-return-to-work effort may still accommodate some injured employees when released for modified work by their physicians. These institutions have not established formal policies or procedures and, in at least one case, staff reported supervisor resistance to efforts to encourage early return to work. UW institutions that have established a formal early-return-to-work effort, on the other hand, are more similar to the intermediate model. These institutions have established formal policies, identified a staff person to coordinate early-return-to-work efforts, and developed agreement forms and other methods of communicating about work restrictions with physicians, supervisors, and employees.

The table in the appendix summarizes the components and characteristics of the three basic types of early-return-to-work programs, which UW institutions may find useful for assessing the status of their individual efforts. As noted, according to the PERI article, the advanced program model is most likely to produce long-term, sustainable cost savings.

Establishing Early-Return-to-Work Policies

The presence of an organizational early-return-to-work policy is one component of an effective early-return-to-work program. According to the Texas Workers Compensation Commission's guide for developing a successful early-return-to-work program, a program should be "simple, realistic and suitable to the employer's business needs." The Commission notes that developing a written policy reinforces the organization's commitment to early return to work and creates the expectation that employees will be returned to work as soon as feasible after an injury. Strong policies would: include certain components, adopt a collaborative approach, and address non-work injuries.

Policy Components

The Commission recommends that a formal policy include: 1) a policy statement, which is a "brief and broadly written" statement that confirms the organization's commitment to early return to work, explains the return-to-work philosophy, and stresses the importance of safe operations and injury prevention; 2) step-by-step procedures that explain the roles, responsibilities, and procedures used from the time an employee is injured until the employee returns to work fully healed; and 3) sample documents and forms that are required to be completed as part of the process.

In 1994, the Governor of Wisconsin issued Executive Order 194, which requires that all state agencies, including UW institutions, develop and promulgate a comprehensive written health and safety program. The order describes a range of services for agencies and institutions to address in a program, including the early return to work of injured employees through transitional work assignments and other rehabilitation strategies. The Office of Safety and Loss Prevention indicated that the Board of Regents' Physical Planning and Development Committee adopted the UW's program in October 1994.

The UW System Office of Safety and Loss Prevention established a systemwide early-return-to-work policy, most recently revised in April 2000. UW System policy encourages, but does not require, UW institutions to develop early-return-to-work programs. System policy includes: 1) the program's goal of serving all ill and injured employees who are covered by workers' compensation, as well as employees affected by non-work-related illnesses and injuries, whenever feasible; 2) benefits of early-return-to-work efforts; 3) employee, manager, and agency responsibilities for implementing the program, including step-by-step instructions for handling various cases; 4) descriptions of the types of modified job duties to be used in an early-return-to-work effort; and 5) a copy of an employer-employee agreement to be used by institutions to describe the employee's duties when he or she is released for work with restrictions. A copy of the UW System policy may be found on the UW System website at <http://www.uwsa.edu/oslp/wc/polpro/retwk.htm>.

The UW institutional policies we reviewed reflected UW System policy guidelines. The policies typically included a goal statement, defined the responsibilities of various participants in the process, and described the procedures to be used to process early-return-to-work cases.

Collaborative Approach

UW System policy encourages organizations to use a collaborative approach for early-return-to-work case management. Supervisors, human resources professionals, legal staff, workers' compensation claims managers, and early-return-to-work coordinators work together to identify strategies to improve the effectiveness of return-to-work efforts and, in a broader sense, control disability costs.

The UW policies we reviewed reflected this collaborative approach. For example, UW-Stout's policy states that the role of the case management team is to review accidents to establish cause, effect, and methods of prevention; maintain contact with employees, attending medical personnel, and system administration; and facilitate return to work when needed. The case management team consists of the campus workers' compensation coordinator, Environmental Safety and Risk Management Director, the Human Resources Personnel Manager, the immediate supervisor of the ill or injured employee, and other personnel as determined on an individual case-by-case basis.

Non-work Injuries

While most early-return-to-work efforts focus on work-related injuries, some organizations have found it is also beneficial to establish early-return-to-work programs for employees who incur non-work related injuries. Efforts to return employees with non-work-related injuries or illnesses to work as quickly as possible help maintain the productivity of an office and help restore an employee's financial stability as quickly as possible. Typically, institutions reported that these arrangements are made informally or through a separate office, and institutions do not routinely track these cases.

UW-Whitewater established a formal policy for handling non-work-related injuries. The procedures used for non-work-related injuries are similar to those used for employees who are injured on the job, except that employees with non-work-related injuries will not be placed outside the employee's work unit. The policy also states that there will be no overtime on restricted duty; that the institution will review the case at least once every 30 days; and that the employee and supervisor will agree on the modified work duty tasks and sign a form similar to the form for work-related injuries. Modified duty is only offered if the department has a need. UW-Whitewater staff reported that the policy they developed was received positively by union representatives and employees, who view the policy as a benefit for employees.

Even institutions that do not have a formal return-to-work policy may still be accommodating worker's injuries on a case-by-case basis. Establishing a formal return-to-work policy at these institutions could create the framework for an effective early-return-to-work strategy and help assure that procedures are applied consistently. ***We recommend that all UW institutions establish a formal early-return-to-work policy.***

Promoting Prompt Reporting of Injuries

According to one article on early return to work, the most critical point in the return-to-work process is the day of injury. Under an advanced early-return-to-work model, employees report injuries directly to a trained early-return-to-work coordinator. This direct contact allows the organization to collect injury information in a timely manner, provides a single point of contact, assures consistent application of policies, and may help lead to a positive relationship with the employee.

Typically, organizations require an employee to report his or her injuries to a supervisor who then initiates the necessary paperwork. This is the approach UW System institutions use. Staff responsible for coordinating early-return-to-work initiatives at several UW institutions reported that there is sometimes a delay between when an injury occurs, when a supervisor has been notified of the injury, and when the coordinator becomes aware of the injury. Staff also report that medical providers are not always prompt in returning calls, with one institution also reporting that some of the local medical providers are uncooperative with early-return-to-work efforts.

Efforts to reduce delays by streamlining and simplifying the process for reporting injuries could help improve the effectiveness of early-return-to-work efforts. The literature suggests that effective programs provide employees with forms for the medical provider to complete, including work status forms and information notifying the physician at the time of the initial report about the organization's commitment to return the employee to work. Each case is managed from the day of injury until the employee returns to full duty at work or the claim is resolved.

Communicating a Return-to-Work Expectation

Maintaining communication about an employee's injury throughout the healing process is another useful strategy for successfully resolving workers' compensation cases. The Wisconsin workers' compensation manual requires that claims handlers make a "three-point contact" with the injured employee, employer, and medical provider within 24 hours of receiving a claim. We reviewed the role of each of these in UW institutions' efforts to establish an early-return-to-work expectation:

- *Employees*: A 2001 study conducted by the Gallup Organization for CIGNA insurance found that employees were twice as likely to return to work if they felt that the organization communicated with them "early and often" during their disability. The study also found that communication was particularly important at the time of injury or onset of illness and when the employee is preparing to work, returning to work, or still absent after 90 days. Other resources also described how organizations that communicate a strong return-to-work expectation can help reduce abuse of the workers' compensation system by reducing the opportunity for malingering. Employees who understand that the organization will be proactive in bringing them back to work may be less likely to try to abuse the system by taking unnecessary time off.

We found that UW institutions that had established a formal early-return-to-work effort typically informed employees of their return-to-work program in a letter as soon as a workers' compensation claim is filed. Institutional staff also report that they maintain contact with employees throughout the healing process to assure that employees understand that they will be accommodated and allowed to return to work as soon as medically feasible.

- *Supervisors*: Supervisors who understand an organization's commitment to returning employees to work as soon as medically feasible may be more likely to actively seek ways to accommodate workers. Supervisors are often the first contact for an employee about an injury or illness and also are often the primary contact with the employee throughout the recovery process.

Our interviews indicated that UW institutions include information about early return to work in supervisors' handbooks and as part of training. While it is useful for supervisors to have a general awareness of early-return-to-work efforts, staff note that many supervisors may only rarely have an employee who has been injured on the job. As a result, workers' compensation claims handlers work with supervisors when a claim arises to educate them about efforts to accommodate employees.

Supervisors of physically demanding jobs may have more frequent experience with early-return-to-work efforts, as employees who participate in early-return-to-work initiatives are often employed in physically demanding positions. For example, an analysis of the employment status of 51 early-return-to-work participants at UW-Eau Claire between 2001 and 2003 showed that the most common job titles were custodian (37.3%), facility groundskeeper or repair worker (15.7%), general laborer (7.8%), and police or security officer (7.8%). Staff noted that faculty members rarely use the program and would typically rely on colleague coverage, which allows another faculty member to assume the teaching duties of an ill or injured faculty member. Thus, targeting education efforts to certain groups of supervisors may be an effective way to establish a return-to-work expectation and reduce resistance to early-return-to-work efforts.

- *Medical Providers*: The literature also notes the importance of including medical providers as active partners in the return-to-work process. Medical providers may be more likely to release an employee for work if they are aware that the organization has a return-to-work program and are assured that the organization will accommodate work injuries in a way that won't negatively impact the health or recovery of an employee.

UW institutions rely on medical providers to determine when an employee can safely return to work and to identify medical restrictions that will best protect the health of the employee. Several institutions send a letter informing medical providers about the institutions' expectation that employees return to work as soon as it is medically feasible. In difficult cases, a medical case manager under contract with the state may attend a medical visit with an ill or injured employee to collect information about the case and to communicate the organization's willingness to accommodate injuries.

Documenting Job Functions

Efforts to document and provide detailed descriptions of job functions to medical providers allows an organization to communicate its willingness to accommodate work restrictions and assures that medical providers make informed decisions about work duties that the employee may safely perform. Most institutions reported that they share position descriptions with medical providers either immediately or when it becomes necessary to identify modified duties. In some serious cases, the medical case manager may make a videotape of the employee's job duties as a means of visually displaying the job functions to the medical provider.

UW-Whitewater combined its efforts to comply with the Americans with Disabilities Act (ADA) with its early-return-to-work efforts. UW-Whitewater analyzed and documented the essential job functions of its largest job classifications as part of its efforts to meet the institution's information needs for the ADA. The ADA, passed in July 1990, makes it unlawful to discriminate in employment practices against qualified individuals with disabilities. UW-Whitewater's analysis included a list of tasks associated with each position, the frequency with which each task is performed, and the physical requirements associated with each task. UW-Whitewater provides medical providers in workers' compensation cases with information about job functions to help providers identify which tasks an employee may continue to perform and which tasks require modification. UW-Madison's claims handlers also request that departments and divisions develop or hire a specialist to develop essential job function analyses when it is pertinent for an individual claim. The institution then provides this information to the medical provider.

UW-River Falls' recent efforts to establish an early-return-to-work program also include an essential-job-function-evaluation component. As part of that initiative, the institution identified 12 positions on campus that are physically demanding. Staff then worked with a local physical therapy clinic to identify the physical essential job functions for each of those positions. They developed a screening test that candidates for these positions are expected to pass before starting work. They report that this approach has the added benefit of assuring that people who are offered positions are physically capable of performing the work, thus lessening the potential for workers' compensation claims.

An essential job function analysis provides medical personnel with a more complete source of information than traditional position descriptions. To help medical providers make informed decisions about injured or ill employees, ***we recommend that, as resources allow, UW institutions consider developing essential job function analyses, particularly for position categories in which work-related injuries occur most frequently, and communicate the analyses to medical providers, as appropriate.*** To reduce the administrative burden of this exercise, one institution suggested that UW System institutions could share information about essential job functions that have already been completed and that institutions could collaborate on the development of essential job function analyses for those position categories where work-related injuries occur.

Monitoring Cases and Evaluating the Program

We also reviewed case monitoring and program evaluation in early-return-to-work programs. These efforts include systems to record, track, and report return-to-work activities and efforts to routinely review cases to evaluate an employee's progress toward returning to work full time.

Case Monitoring

One effective approach at UW institutions is to have workers' compensation claims handlers routinely monitor and review all workers' compensation claims to identify those cases that could most likely benefit from efforts to accommodate work restrictions. Routinely reviewing claims, rather than relying on supervisors to refer employees for return-to-work activities, helps assure that appropriate cases are consistently referred for early return to work. Claims handlers also monitor cases on an ongoing basis through regular contact with employees, medical professionals, and supervisors.

At UW-Eau Claire, staff from the payroll and human resources offices and the workers' compensation coordinator hold an "ill and injured" meeting once a week to discuss who is off work and why. UW-Madison also reports that it holds monthly meetings to review claims.

Program Evaluation

Administrators of effective early-return-to-work programs collect data for ongoing program evaluation, according to the Public Entity Risk Institute. The data allow them to analyze changes in workers' compensation losses, the average number of claims, litigated claims rates, and costs after early-return-to-work implementation. The literature also suggests that advanced return-to-work programs set annual goals, monitor progress toward those goals, and provide training to all stakeholders to improve performance.

Recognizing the importance of evaluation for demonstrating the effectiveness of its reform efforts, Missouri included a strong monitoring and evaluation component in its early-return-to-work reform initiative. The state uses two measures of effectiveness. First, as physicians release employees to modified duty, claims adjusters record the number of days employees worked in modified-duty status. Second, the state calculates cost savings by multiplying the number of modified-duty days by the employees' workers' compensation benefit rate. Monitoring and evaluation of early-return-to-work efforts can identify effective approaches and allow for continuous improvement of the process and determine the cost-effectiveness of the program.

UW institutions currently do not routinely collect and analyze data specifically about early-return-to-work cases. ***We recommend that UW institutions and UW System staff collect and analyze data that will allow for the ongoing evaluation and improvement of UW institutions' early-return-to-work efforts.*** Types of activities that some organizations record and monitor include medical appointments, work status reports, and modifications to work assignments. Even simple measures, such as tracking the number of employees who are served in early-return-to-work programs, the length of time between injury and return to work, and the length of time in

modified work duties could help institutions and UW System establish goals that could improve the effectiveness of early-return-to-work efforts.

UW System staff noted that the data to evaluate the effectiveness of early-return-to-work programs would need to be collected manually and could present an administrative burden. Staff from some institutions also reported that institutions already collect and provide a significant amount of data about workers' compensation claims and expressed concern about new reporting requirements. They suggested that UW System seek ways to streamline existing data collection, including working with the Department of Administration to add new data fields specifically for early-return-to-work activities in the state's computer system, which is known as STARS, for monitoring workers' compensation claims.

IMPLEMENTATION CHALLENGES

Institutional staff described an array of challenges to implementing a successful return-to-work strategy. These included delays in receiving injury reports, medical providers who were not responsive or cooperative with return-to-work efforts, and supervisor resistance to returning an employee to work before he or she is fully healed. In addition, staff noted that some employees have a very strong work ethic and may actually try to conceal restrictions or return to work too soon after injuring themselves; the institution must use extra care to make certain that it documents and follows all restrictions to protect the employee's health. Staff also reported two other significant areas that serve as barriers to successfully returning employees to work after an injury or illness: identifying modified job duties and overcoming financial disincentives.

Identifying Modified Job Duties

A core component of an early-return-to-work program is the placement of injured employees in modified job duties. Modified job duties, sometimes referred to as light-duty or transitional or alternative job duties, are tasks and activities that may be completed within the parameters of an employee's medical restrictions. Modified job duties allow an employee to return to work as quickly as medically feasible, while protecting the employee's health. While meaningful job assignments are preferred, the primary goal of this approach is for employees to reestablish their normal work routine by reintegrating the employee into the work place. We examined opportunities for placement within and outside the employing unit.

Placement within the Employing Unit

DOA guidelines indicate that most early-return-to-work participants return to their regular jobs with only some tasks modified to accommodate medical restrictions. In other cases, employees are not able to perform their regular jobs, and alternative job duties must be identified to accommodate medical restrictions. Staff reported that it is sometimes challenging to identify these alternative work assignments, especially in departments that oversee physically demanding jobs.

UW staff reported that while most supervisors are generally supportive of return-to-work efforts, some supervisors were resistant to these efforts, particularly in the early stages of implementing a return-to-work initiative. Some supervisors are skeptical of bringing workers back to work before they are fully healed and able to complete the full range of job duties. Resistance may be even greater when there are specific duties requiring physical ability that must be completed, such as lawn mowing or snow removal.

The early-return-to-work literature suggests the use of a collaborative process that includes a discussion between the employee and institutional staff about work restrictions, with both parties signing a formal work agreement. A work agreement could document milestones such as the date of the employee's medical exam and reduction or removal of restrictions; it is used to document when temporary work modifications conclude or are extended or modified. The UW institutions we visited routinely used formal work agreements that outlined modified work duties. They were signed by the supervisor and employee and were modified, as needed, to reflect changes in the employee's medical condition.

Placement Outside of the Employing Unit

Some experts suggest that managers of effective early-return-to-work programs should develop numerous transitional, modified duties before they are ever needed. Ideally, staff would develop detailed descriptions of the physical demands of each assignment.

UW System and institutional policies allow for an employee to be placed in an assignment in another work unit, with the salary paid by his or her original employing unit. We found that some UW institutions currently practice this approach. UW-Parkside staff reported, for example, that they have identified stockroom work that can be assigned if tasks cannot be identified in the employing unit. Some UW institutions, however, only rarely place injured employees outside their employing unit. With tight budgets, staff reported that some departments can't afford to pay for an employee who is not contributing to the department's job duties. In other cases, staff noted that some employees do not have the skills to do alternative assignments. For example, an injured custodian may not have the skills to do office work, which is a common form of modified duty.

DOA policy encourages agencies to explore opportunities in all units or divisions and to identify tasks that lend themselves to transitional work, suggesting that all agencies have some work that is "put off because no-one has time." According to DOA, transitional work assignments should also be temporary, not lasting more than several months for any one employee. DOA offers the State Injured Worker Reemployment Program (SIWRP), which places injured state employees in temporary alternative job sites as part of early-return-to-work efforts. The program also places permanently disabled employees who are unable to return to their previous job in other positions within state government or the private sector. Employees are referred to the program, as appropriate, by workers' compensation claims handlers. The employing agency continues to pay the employees' wages. Within the past year, SIWRP modified its approach and successfully increased the number of injured employees placed in alternative duties in state agencies other than the employing agency.

Of the 58 referrals the DOA program received in state fiscal year 2004, 31 came from UW System institutions. UW-Madison's claims handlers report that they routinely refer claimants to SIWRP when a department is unable to accommodate an injured worker's restrictions. Staff report that the program usually is able to successfully place an employee in alternative-duty work either at the university or another state agency.

UW-System's early-return-to-work policy also advises institutional staff to: 1) identify jobs within other departments, while not displacing current employees; 2) try to identify modified work duties that are meaningful; 3) focus on what the employee can do rather than the tasks he or she cannot perform; 4) consider tasks that are not being done by others at the present time and that are only being done occasionally; and 5) consider tasks now being done that, if assigned to someone else, would free other employees to accomplish different work.

Wisconsin Department of Transportation (DOT) staff described instances in which the Department has successfully incorporated return-to-work expectations into its corporate culture. DOT staff reported that the agency requires supervisors to return employees to work, either at their regular duties or modified duties, as soon as they are medically released for modified work duties. DOT staff indicated that employees are routinely assigned to any unit within the agency that could use help and where the job tasks lend themselves to modified work duties. DOT staff noted that while the agency tries to identify meaningful work, the primary goal of the program is to return employees to work as soon as possible; and the agency would consider even make-work assignments to achieve that goal. However, with recent budget cuts, they note that there is no shortage of work to be done and that the agency has no problem identifying tasks that could be completed by injured employees.

Overcoming Financial Disincentives

Sometimes employers encounter financial disincentives to bringing an employee back before he or she is fully healed. Supervisors sometimes use the savings from the injured worker's regular wages to hire an able-bodied limited-term employee (LTE). Individual department budgets are not typically affected by workers' compensation claims, since workers' compensation benefits are not paid from the department budget. However, with tight budgets, some departments may not be able to afford to bring an employee back and also hire an LTE to complete the tasks at hand.

While recognizing that state laws governing workers' compensation vary, we found practices that illustrate how other states reduced financial disincentives in their return-to-work efforts:

- Oregon's Employer-at-Injury Program provides incentives to employers who return their injured workers with open disability claims to temporary modified work. Incentives include employer subsidies for up to three months of wages and reimbursement for worksite modification costs of up to \$2,500. The incentives are financed by a workers' compensation tax.
- Montana also provides financial incentives for return to work. The state's return-to-work guide instructs supervisors to set a reasonable wage for temporary assignments. The state

fund compensates the employer for the difference between the employee's normal wages and the temporary wage structure.

- In Missouri, once an employee is released for work, the state no longer pays workers' compensation benefits, instead requiring an agency to either return the employee to work or to put him or her on administrative leave, with pay, until the agency develops a suitable modified work site. Administrators report that agencies have been more responsive to developing alternative accommodations, since they have been expected to directly share the financial costs associated with disabled workers.

These other states' practices were developed as part of statewide initiatives, rather than by individual universities, and the workers' compensation programs are governed by laws that differ from Wisconsin's. However, it may be possible for individual institutions and UW System to identify approaches for reducing financial disincentives. For example, UW-Madison reported establishing a fund to reimburse employing departments for injured employees who are placed in another work unit. While employees were paid their full wages by the employing department, the institution reimbursed the assigned department at the minimum-wage rate for the hours the employees worked. Institutional staff reported that this was an effective incentive early in their return-to-work initiatives. As supervisors began to realize the benefits of bringing employees back to work, the institution now rarely needs to use this financial incentive.

INTEGRATING RETURN-TO-WORK WITH OTHER DISABILITY BENEFITS

Most return-to-work efforts are designed to serve employees who receive workers' compensation due to work-related injuries or illnesses. However, absences due to illness or injury off the job also carry costs associated with reduced productivity. In addition, organizations must comply with a variety of regulations that protect employees with disabilities. We reviewed the extent to which return-to-work activities have been integrated with the state's income continuation insurance, and we examined an approach some organizations use to integrate return-to-work efforts with other disability services and benefits.

Income Continuation Insurance

State employees, including UW employees, have the option of enrolling in the state's income continuation insurance program. This optional plan pays 75% of gross earnings, excluding overtime and shift differentials, if an employee becomes disabled and is unable to work. We interviewed UW System staff to identify any barriers to return-to-work under the current income continuation insurance program.

Under the state's income continuation program, an employee must be continuously and totally disabled throughout the elimination, or waiting, period. If an employee returns to work during that time and then leaves work again because he or she requires more healing time, the elimination period begins again with no credit given for previous time away from work. Despite the disincentive to return to work during the elimination period, the policy includes a provision to compensate employees 75% of lost wages if they return to work part time after they begin

receiving benefits, and it also provides some support for rehabilitative activities. In 1997, UW-Madison received an opinion from the Department of Employee Trust Funds (ETF) that stated that a second waiting period would not be required if the employee is enrolled in work assignments that help an employee develop new skills and that are part of a rehabilitation program approved by ETF.

Employees must first exhaust all sick leave up to 1040 hours before qualifying for income continuation benefits. The elimination period is determined differently for classified staff and faculty and unclassified academic staff. Classified staff also have a separate waiting period of 30 calendar days. Benefits begin either at the end of the elimination period or when sick leave is exhausted, whichever is longer. Faculty and unclassified academic staff, on the other hand, may choose an elimination period of 30, 90, 125, or 180 days after they have exhausted their sick leave, with premiums decreasing with longer waiting periods. For faculty and unclassified academic staff, benefits begin when the elimination period is satisfied or sick leave is exhausted, whichever is longer.

The University of California has a short-term and supplemental disability plan designed to encourage employees to return to work after an illness or injury. The policy's "Stay at Work/Return to Work" (SAW/RTW) provisions establish benefits that allow employees to stay at work during the initial phases of a disability, return to work part time after a period of time off during a total disability, and return to work full time, but at a job with a lower salary while partially disabled. The policy purports to provide more money from working, benefits, and other income than would be available with disability programs alone; and it provides benefits if the employee returns to work with any employer, not just the university.

Since ETF manages Wisconsin's income continuation program, any efforts to modify the policy would need to be accomplished by working with ETF. Given the benefits associated with returning employees to work as quickly as medically feasible, ***we recommend that UW System Human Resources staff work with ETF, as appropriate, when ETF renews the next contract with the income continuation insurance provider, to explore approaches that may reduce or eliminate return-to-work disincentives in the income continuation program.***

Integrated Disability Management

In addition to complying with workers' compensation laws, certain employers are required to comply with a range of rules and regulations related to disabilities, such as the Family and Medical Leave Act of 1993, Americans with Disabilities Act of 1990, and Rehabilitation Act of 1973, as well as collective bargaining agreements and internal personnel policies. During our review, we learned that some organizations have implemented a strategy called Integrated Disability Management (IDM). This strategy helps to consolidate programs and services designed to manage disabilities so that organizations can more readily meet regulatory requirements, simplify the process for applying for benefits, and improve productivity by reducing absenteeism.

IDM programs often include a single point of contact for employees seeking workers' compensation, long- and short-term disability benefits, medical benefits, or family leave. Cases

are managed from injury to end of healing, often using a medical case management system. In some cases, organizations use the services of group health insurance companies to administer their programs. A similar approach is used for managing occupational and non-occupational illnesses and injuries, with policies developed to facilitate return to work and payment for lost time, regardless of the cause. Return-to-work strategies are one important component of this comprehensive approach to managing disabilities.

The University of California-San Francisco has established such a program. The goals of the university's program are to provide education and early intervention services to prevent and minimize the effects of disability in the workplace; to facilitate early identification, referral and treatment for disabilities and injuries at work; and to implement return-to-work, reasonable accommodation, and medical separation policies.

An integrated disability approach would consolidate the full range of services into a comprehensive package that would simplify disability management for supervisors and employees. We encourage UW System and UW institutions to explore the feasibility of implementing an integrated disability management program to determine whether such a program or components of a program would be viable options for coordinating benefits, reducing costs, increasing productivity, and providing efficient services to supervisors and employees.

CONCLUSION

Efforts to return employees to work as soon as it is medically feasible have many benefits. Early return to work can prevent unnecessary financial problems for employees, reduce employer costs associated with lost productivity and workers' compensation claims, shorten the healing process, and reduce medical costs.

UW policy encourages, but does not require, UW institutions to implement early-return-to-work programs. Nine UW institutions have formal early-return-to-work initiatives, with a tenth program added since the completion of our review work. A comparison of costs over time found that strategies that encourage early return to work may have held down lost-time-claim cost increases at the UW institutions with formal programs.

We also found that the number of ill and injured employees that UW institutions have accommodated so that they could return to work, compared to the number of lost-time claimants, ranged from 17% to 93% of all claims between 2001 and 2003. According to the literature, effective programs often accommodate more than 50% of lost time claimants in a return-to-work effort.

We reviewed alternative approaches for improving the effectiveness of UW return-to-work efforts. One source outlined three types of return-to-work strategies, ranging from a basic to an advanced model, with the advanced model providing organizations with the greatest opportunity to achieve cost savings. The report offers several recommendations to improve the implementation of return-to-work efforts within UW System. We have recommended that:

- all UW institutions establish a formal early-return-to-work policy;
- UW institutions consider developing essential job function analyses, particularly for position categories in which work-related injuries occur most frequently, and communicate the analyses to medical providers, as appropriate;
- UW institutions and UW System Office of Safety and Loss Prevention staff collect and analyze data that will allow for the ongoing evaluation and improvement of UW institutions' early-return-to-work efforts; and
- the UW System Office of Human Resources work with ETF, as appropriate, to explore approaches that may reduce or eliminate return-to-work disincentives in the income continuation program.

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Appendix

Components and Characteristics of Early-Return-to-Work Programs*

PROGRAM COMPONENTS AND CHARACTERISTICS	BASIC	INTERMEDIATE	ADVANCED
Organizational commitment level/ERTW philosophy	Selective ERTW model Pick and choose	Supportive services model Case by case	Collaborative services model Systematic decisions
Program structure	Informal	Formal	Systematic
Written policy and procedures	No	Yes	Yes
Written ERTW agreements	No	Sometimes	Yes
Targeted communication to stakeholders	No	Partial	Yes
Pre-identified modified duties	No	Sometimes	Yes
Essential job function descriptions/job analysis	Sometimes	Yes	Yes
Management/supervisory training	No	Initial	Ongoing
Union orientation	No	Supportive	Collaborative
Individual assigned to manage ERTW duties	Collateral duty if at all	Collateral duty or dedicated staff	Dedicated staff
Vendor use: nurse or vocational case manager, external to organization	Very selectively	Case by case or all cases	Rarely needs or uses
Case management information system/database	None	Vendor-based selective access	Employer-based system, owns data
Integrated disability management	No	Partially integrated	Fully integrated
Day of injury reporting	Compliance focus Multiple points of data collection, not always timely	Early intervention focus Single or multiple points of data collection	Immediate intervention focus Uses single, standardized data collection
Early intervention response	None Minimal RTW coordination	Not always RTW coordination and initial progress monitoring	Yes On-site RTW coordination and defined protocols for monitoring progress
Medical appointment tracking/intervention	No tracking	Partial	All tracked
Medical provider relationship	Minimal outreach by employer to medical providers	Supportive relationship, employer recognizes importance	Collaborative ongoing relationship, frequent dialogue, meetings
Claims management relationship	Often adversarial	Supportive	Collaborative
Overall employee satisfaction levels	Negative to low	Medium	High to very high
Initial program success, high ROI, one to three years	Limited	Medium	High
Ongoing program success	“Shelfware” (inactive) program	Results fade over time	Continued success
Established benchmarks	None	Sometimes	Always
Comprehensive program evaluation	None	Not usually	Always
Annual goal setting	None	Not usually	Always

*Source: Chandler, Dennis L. “Constructing Return to Work Programs: Building for Better Returns.” Public Entity Risk Institute, pp. 9-10.

**UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2005-2006 - Fourth Quarter**

FISCAL YEAR 2005-2006	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
Total	98,191,547	54,934,045	1,911,563	101,807,722	19,488,998	738,634,032	106,181,708	1,121,149,616
Federal	57,706,815	35,179,357	149,155	10,686,752	0	529,971,164	89,465,135	723,158,378
Nonfederal	40,484,732	19,754,688	1,762,408	91,120,970	19,488,998	208,662,868	16,716,573	397,991,238
FISCAL YEAR 2004-2005								
Total	86,343,670	67,726,780	890,406	85,180,183	17,977,912	804,572,890	113,316,930	1,176,008,771
Federal	47,783,458	49,804,323	420,003	17,927,814	3,717,260	607,697,348	94,033,947	821,384,153
Nonfederal	38,560,212	17,922,457	470,403	67,252,369	14,260,652	196,875,542	19,282,983	354,624,618
INCREASE(DECREASE)								
Total	11,847,877	(12,792,735)	1,021,157	16,627,539	1,511,086	(65,938,858)	(7,135,222)	(54,859,155)
Federal	9,923,357	(14,624,966)	(270,848)	(7,241,062)	(3,717,260)	(77,726,184)	(4,568,812)	(98,225,775)
Nonfederal	1,924,520	1,832,231	1,292,005	23,868,601	5,228,346	11,787,326	(2,566,410)	43,366,620

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2005-2006 - Fourth Quarter

	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
FISCAL YEAR 2005-2006								
Madison	25,914,159	29,052,611	1,677,708	83,430,555	19,157,490	703,019,796	30,368,094	892,620,413
Milwaukee	6,732,236	10,562,385	77,000	2,560,875	0	24,636,968	16,586,292	61,155,756
Eau Claire	1,428,292	2,060,944	0	0	0	1,304,970	6,379,198	11,173,404
Green Bay	41,760	2,647,611	18,000	844,730	0	1,751,553	3,914,493	9,218,147
La Crosse	2,133,130	1,367,566	26,500	1,272,376	340,927	1,761,103	3,946,021	10,847,623
Oshkosh	7,343,674	5,201,938	0	0	0	777,355	3,833,046	17,156,013
Parkside	670,506	1,186,531	0	185,365	0	394,947	4,294,234	6,731,583
Platteville	784,388	91,558	109,355	556,640	(10,565)	67,975	4,162,280	5,761,631
River Falls	677,217	359,052	0	1,501,851	0	111,362	4,005,789	6,655,271
Stevens Point	5,756,576	819,753	0	964,714	0	2,740,394	6,882,757	17,164,194
Stout	3,575,950	201,665	0	2,158,096	0	88,375	6,184,715	12,208,801
Superior	39,307	92,022	0	699,648	0	1,617,214	1,664,475	4,112,666
Whitewater	507,351	82,517	0	2,833,334	1,146	245,236	6,324,194	9,993,777
Colleges	19,323	19,983	3,000	601,045	0	66,785	7,636,120	8,346,256
Extension	42,567,679	0	0	0	0	0	0	42,567,679
System-Wide	0	1,187,909	0	4,198,492	0	50,000	0	5,436,401
Totals	98,191,547	54,934,045	1,911,563	101,807,722	19,488,998	738,634,032	106,181,708	1,121,149,616
Madison	17,168,244	13,455,200	30,300	2,922,470	0	503,043,499	16,305,133	552,924,846
Milwaukee	4,421,479	10,065,797	5,000	46,893	0	19,687,151	15,955,985	50,182,305
Eau Claire	746,803	1,219,537	0	0	0	904,378	6,379,198	9,249,916
Green Bay	25,760	2,311,002	0	98,891	0	1,018,078	3,793,329	7,247,060
La Crosse	1,817,153	620,137	6,000	881,092	0	1,151,955	3,944,021	8,420,358
Oshkosh	5,428,940	4,661,387	0	0	0	626,564	3,833,046	14,549,937
Parkside	499,179	908,257	0	0	0	353,040	4,071,072	5,831,548
Platteville	634,991	0	107,855	348,516	0	0	4,162,280	5,253,642
River Falls	597,832	276,696	0	980,181	0	44,098	4,005,789	5,904,596
Stevens Point	3,605,251	258,570	0	674,129	0	1,304,897	6,882,757	12,725,604
Stout	3,090,185	122,843	0	1,119,299	0	86,348	5,695,005	10,113,680
Superior	29,307	92,022	0	691,329	0	1,519,315	1,664,475	3,996,448
Whitewater	429,963	0	0	1,870,835	0	227,422	5,740,659	8,268,879
Colleges	6,348	0	0	106,392	0	4,419	7,032,386	7,149,545
Extension	19,205,380	0	0	0	0	0	0	19,205,380
System-Wide	0	1,187,909	0	946,725	0	0	0	2,134,634
Federal Totals	57,706,815	35,179,357	149,155	10,686,752	0	529,971,164	89,465,135	723,158,378
Madison	8,745,915	15,597,411	1,647,408	80,508,085	19,157,490	199,976,297	14,062,961	339,695,567
Milwaukee	2,310,756	496,588	72,000	2,513,982	0	4,949,817	630,307	10,973,451
Eau Claire	681,489	841,407	0	0	0	400,592	0	1,923,488
Green Bay	16,000	336,609	18,000	745,839	0	733,475	121,164	1,971,087
La Crosse	315,977	747,429	20,500	391,284	340,927	609,148	2,000	2,427,265
Oshkosh	1,914,734	540,551	0	0	0	150,791	0	2,606,075
Parkside	171,327	278,274	0	185,365	0	41,907	223,162	900,035
Platteville	149,397	91,558	1,500	208,124	(10,565)	67,975	0	507,989
River Falls	79,385	82,356	0	521,670	0	67,264	0	750,675
Stevens Point	2,151,325	561,183	0	290,585	0	1,435,497	0	4,438,590
Stout	485,765	78,822	0	1,038,797	0	2,027	489,710	2,095,121
Superior	10,000	0	0	8,319	0	97,899	0	116,218
Whitewater	77,388	82,517	0	962,499	1,146	17,814	583,535	1,724,897
Colleges	12,975	19,983	3,000	494,653	0	62,366	603,734	1,196,711
Extension	23,362,299	0	0	0	0	0	0	23,362,299
System-Wide	0	0	0	3,251,767	0	50,000	0	3,301,767
Nonfederal Totals	40,484,732	19,754,688	1,762,408	91,120,970	19,488,998	208,662,868	16,716,573	397,991,238

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2005-2006 - Fourth Quarter

	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
FISCAL YEAR 2004-2005								
Madison	24,364,940	42,688,745	777,081	67,034,716	17,366,667	769,818,868	35,690,957	957,741,974
Milwaukee	5,495,115	8,184,459	71,500	2,842,299	0	22,858,324	16,546,989	55,998,687
Eau Claire	432,189	3,322,897	0	0	0	1,627,002	7,244,079	12,626,167
Green Bay	35,196	3,677,820	0	374,857	74,258	1,320,417	3,937,534	9,420,082
La Crosse	2,027,472	166,880	0	1,344,069	490,313	3,599,995	4,933,027	12,561,756
Oshkosh	4,271,929	5,267,849	0	0	0	1,499,373	4,081,631	15,120,782
Parkside	474,102	693,434	0	126,943	0	315,350	4,312,858	5,922,687
Platteville	816,621	4,310	39,775	748,653	0	263,785	4,615,001	6,488,145
River Falls	489,067	293,400	0	1,575,320	0	55,670	4,218,399	6,631,856
Stevens Point	7,127,524	1,189,177	0	1,127,524	0	1,316,920	4,951,882	15,713,027
Stout	3,364,188	146,612	0	2,508,346	8,830	349,085	6,373,955	12,751,016
Superior	60,365	98,647	0	741,329	0	1,333,773	1,580,996	3,815,110
Whitewater	443,736	145,122	0	3,401,431	37,844	201,432	6,762,650	10,992,215
Colleges	46,002	544,782	2,050	2,069,348	0	12,896	8,066,972	10,742,050
Extension	36,895,224	0	0	0	0	0	0	36,895,224
System-Wide	0	1,302,646	0	1,285,347	0	0	0	2,587,993
Totals	86,343,670	67,726,780	890,406	85,180,183	17,977,912	804,572,890	113,316,930	1,176,008,771
Madison	15,569,903	27,738,344	417,003	7,558,726	3,717,260	580,319,629	18,960,183	654,281,048
Milwaukee	2,415,371	7,760,777	0	278,415	0	18,628,784	16,158,690	45,242,037
Eau Claire	129,406	2,641,568	0	0	0	1,081,699	6,941,296	10,793,969
Green Bay	13,607	3,471,806	0	0	0	1,242,856	3,753,532	8,481,801
La Crosse	1,174,145	166,880	0	373,010	0	2,474,984	4,933,027	9,122,046
Oshkosh	3,435,321	5,023,049	0	0	0	1,199,276	4,081,631	13,739,277
Parkside	504,352	474,641	0	0	0	270,403	4,134,289	5,383,685
Platteville	706,620	0	3,000	303,366	0	56,822	4,614,501	5,684,309
River Falls	476,171	237,246	0	1,067,650	0	0	4,202,599	5,983,666
Stevens Point	4,762,925	227,684	0	937,997	0	710,553	4,951,882	11,591,041
Stout	2,910,961	59,406	0	1,627,112	0	312,856	5,968,672	10,879,007
Superior	60,365	88,647	0	741,329	0	1,215,783	1,580,996	3,687,120
Whitewater	373,079	85,000	0	2,625,943	0	183,703	6,144,802	9,412,527
Colleges	5,193	526,629	0	1,299,718	0	0	7,607,848	9,439,388
Extension	15,246,038	0	0	0	0	0	0	15,246,038
System-Wide	0	1,302,646	0	1,114,548	0	0	0	2,417,194
Federal Totals	47,783,458	49,804,323	420,003	17,927,814	3,717,260	607,697,348	94,033,947	821,384,153
Madison	8,795,037	14,950,401	360,078	59,475,990	13,649,407	189,499,239	16,730,774	303,460,926
Milwaukee	3,079,744	423,682	71,500	2,563,884	0	4,229,541	388,299	10,756,650
Eau Claire	302,783	681,329	0	0	0	545,303	302,783	1,832,198
Green Bay	21,589	206,014	0	374,857	74,258	77,561	184,002	938,281
La Crosse	853,327	0	0	971,059	490,313	1,125,011	0	3,439,710
Oshkosh	836,608	244,800	0	0	0	300,097	0	1,381,505
Parkside	(30,250)	218,793	0	126,943	0	44,947	178,569	539,002
Platteville	110,001	4,310	36,775	445,287	0	206,963	500	803,836
River Falls	12,896	56,154	0	507,670	0	55,670	15,800	648,190
Stevens Point	2,364,599	961,493	0	189,527	0	606,367	0	4,121,986
Stout	453,227	87,206	0	881,234	8,830	36,229	405,284	1,872,010
Superior	0	10,000	0	0	0	117,990	0	127,990
Whitewater	70,657	60,122	0	775,488	37,844	17,729	617,848	1,579,686
Colleges	40,809	18,153	2,050	769,630	0	12,896	459,124	1,302,662
Extension	21,649,186	0	0	0	0	0	0	21,649,186
System-Wide	0	0	0	170,799	0	0	0	170,799
Nonfederal Totals	38,560,212	17,922,457	470,403	67,252,369	14,260,652	196,875,542	19,282,983	354,624,618

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2005-2006 - Fourth Quarter

	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
INCREASE (DECREASE)								
Madison	1,549,219	(13,636,134)	900,627	16,395,839	1,790,823	(66,799,072)	(5,322,863)	(65,121,561)
Milwaukee	1,237,121	2,377,926	5,500	(281,424)	0	1,778,643	39,303	5,157,069
Eau Claire	996,103	(1,261,953)	0	0	0	(322,032)	(864,881)	(1,452,763)
Green Bay	6,564	(1,030,208)	18,000	469,873	(74,258)	431,136	(23,041)	(201,934)
La Crosse	105,658	1,200,686	26,500	(71,693)	(149,386)	(1,838,892)	(987,006)	(1,714,133)
Oshkosh	3,071,745	(65,911)	0	0	0	(722,018)	(248,585)	2,035,231
Parkside	196,404	493,097	0	58,422	0	79,597	(18,624)	808,896
Platteville	(32,233)	87,248	69,580	(192,013)	(10,565)	(195,810)	(452,721)	(726,514)
River Falls	188,150	65,652	0	(73,469)	0	55,692	(212,610)	23,415
Stevens Point	(1,370,948)	(369,424)	0	(162,810)	0	1,423,474	1,930,875	1,451,167
Stout	211,762	55,053	0	(350,250)	(8,830)	(260,710)	(189,240)	(542,215)
Superior	(21,058)	(6,625)	0	(41,681)	0	283,441	83,479	297,556
Whitewater	63,615	(62,605)	0	(568,097)	(36,697)	43,804	(438,456)	(998,438)
Colleges	(26,679)	(524,799)	950	(1,468,303)	0	53,889	(430,852)	(2,395,794)
Extension	5,672,455	0	0	0	0	0	0	5,672,455
System-Wide	0	(114,737)	0	2,913,145	0	50,000	0	2,848,408
Totals	11,847,877	(12,792,735)	1,021,157	16,627,539	1,511,086	(65,938,858)	(7,135,222)	(54,859,155)
Madison	1,598,341	(14,283,144)	(386,703)	(4,636,256)	(3,717,260)	(77,276,130)	(2,655,050)	(101,356,202)
Milwaukee	2,006,108	2,305,020	5,000	(231,522)	0	1,058,367	(202,705)	4,940,268
Eau Claire	617,397	(1,422,031)	0	0	0	(177,321)	(562,098)	(1,544,053)
Green Bay	12,153	(1,160,804)	0	98,891	0	(224,778)	39,797	(1,234,741)
La Crosse	643,008	453,257	6,000	508,082	0	(1,323,029)	(989,006)	(701,688)
Oshkosh	1,993,619	(361,662)	0	0	0	(572,712)	(248,585)	810,660
Parkside	(5,173)	433,616	0	0	0	82,637	(63,217)	447,863
Platteville	(71,629)	0	104,855	45,150	0	(56,822)	(452,221)	(430,667)
River Falls	121,661	39,450	0	(87,469)	0	44,098	(196,810)	(79,070)
Stevens Point	(1,157,674)	30,886	0	(263,868)	0	594,344	1,930,875	1,134,563
Stout	179,224	63,437	0	(507,813)	0	(226,508)	(273,667)	(765,327)
Superior	(31,058)	3,375	0	(50,000)	0	303,532	83,479	309,328
Whitewater	56,884	(85,000)	0	(755,108)	0	43,719	(404,143)	(1,143,648)
Colleges	1,155	(526,629)	0	(1,193,326)	0	4,419	(575,462)	(2,289,843)
Extension	3,959,342	0	0	0	0	0	0	3,959,342
System-Wide	0	(114,737)	0	(167,823)	0	0	0	(282,560)
Federal Totals	9,923,357	(14,624,966)	(270,848)	(7,241,062)	(3,717,260)	(77,726,184)	(4,568,812)	(98,225,775)
Madison	(49,122)	647,010	1,287,330	21,032,095	5,508,083	10,477,058	(2,667,813)	36,234,641
Milwaukee	(768,987)	72,906	500	(49,902)	0	720,276	242,008	216,801
Eau Claire	378,706	160,078	0	0	0	(144,711)	(302,783)	91,290
Green Bay	(5,589)	130,596	18,000	370,982	(74,258)	655,914	(62,838)	1,032,806
La Crosse	(537,350)	747,429	20,500	(579,775)	(149,386)	(515,863)	2,000	(1,012,445)
Oshkosh	1,078,126	295,751	0	0	0	(149,306)	0	1,224,571
Parkside	201,577	59,481	0	58,422	0	(3,040)	44,593	361,033
Platteville	39,396	87,248	(35,275)	(237,163)	(10,565)	(138,988)	(500)	(295,847)
River Falls	66,489	26,202	0	14,000	0	11,594	(15,800)	102,485
Stevens Point	(213,274)	(400,310)	0	101,058	0	829,130	0	316,604
Stout	32,538	(8,384)	0	157,563	(8,830)	(34,202)	84,426	223,111
Superior	10,000	(10,000)	0	8,319	0	(20,091)	0	(11,772)
Whitewater	6,731	22,395	0	187,011	(36,697)	85	(34,313)	145,211
Colleges	(27,834)	1,830	950	(274,977)	0	49,470	144,610	(105,952)
Extension	1,713,113	0	0	0	0	0	0	1,713,113
System-Wide	0	0	0	3,080,968	0	50,000	0	3,130,968
Nonfederal Totals	1,924,520	1,832,231	1,292,005	23,868,601	5,228,346	11,787,326	(2,566,410)	43,366,620

Revised 8/07/06

I.3. Physical Planning and Funding Committee

Thursday, August 17, 2006
Van Hise Hall
1220 Linden Drive

- 9:00 a.m. All Regents
- Lieutenant Governor Barbara Lawton: Wisconsin Leadership in Liberal Education and America's Promise.
- 10:00 a.m. All Regents
- "Building on a Great idea: Elaborating the Benefits of Higher Education in Wisconsin" Presentation by John C. Burkhardt, Director of the National Forum on Higher Education for the Public Good at the University of Michigan.
- 11:00 a.m. All Regents
- 2007-2009 Biennial Operating Budget
[Resolution I.A. to adopt 2007-09 Biennial Operating Budget]
 - 2007-2009 Biennial Capital Budget
[Resolution I.B. to adopt 2007-09 Biennial Capital Budget]
- 12:30 p.m. Box Lunch
- 1:00 p.m. Physical Planning and Funding Committee – Room 1511
- a. Approval of the Minutes of the June 8, 2006 Meeting of the Physical Planning and Funding Committee
 - b. UW-Milwaukee: Authority to Sell Property at 4430 North Lake Drive, Shorewood, Wisconsin
[Resolution I.3.b.]
 - c. UW-Oshkosh: Authority to Purchase Property for Administrative Purposes
[Resolution I.3.c.]
 - d. UW System: Authority to Construct Various Facility Maintenance and Repair Projects
[Resolution I.3.d.]
 - e. Report of the Assistant Vice President
 - Building Commission Actions
 - Other
 - x. Additional items which may be presented to the Committee with its approval
 - z. Closed session to consider personal histories, as permitted by s.19.85(1)(f) *Wis. Stats.*, related to the naming of a facility at UW-Whitewater

Authority to Sell Property,
UW-Milwaukee

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, authority be granted to sell the Chancellor's Residence property (approximately .85 acre) located at 4430 North Lake Drive, Shorewood, Wisconsin, at a price not less than the average of two appraisals.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action August 2006

1. Institution: The University of Wisconsin–Milwaukee
2. Request: Requests authority to sell the Chancellor's Residence property (approximately .85 acre) located at 4430 North Lake Drive, Shorewood, Wisconsin, at a price not less than the average of two appraisals.
3. Description: The campus will attempt to sell the house with attached garage and land located at 4430 North Lake Drive in Shorewood at a price not less than the average of two appraisals. The marketing and sale of the property will be conducted by campus staff working with interested parties. If that is not successful, the property will be listed with a local real estate agent. Two independent property appraisals have been completed to establish an estimated fair market value.
4. Justification: The 10,000 GSF two-story English-style house was originally built in 1926 for James M. Walsh, inventor of the first horse harness without buckles, at a cost of \$49,516. The house was sold by the widow of Mr. Walsh to Walter Harnischfeger, a prominent Milwaukee industrialist, for \$45,000 in 1946. In 1961 Mr. Harnischfeger and his wife donated the property, then estimated to be worth \$60,000, to the university. The Board of Regents then designated the house as the official residence for the UW-Milwaukee chancellor. First occupied by Chancellor J. Martin Klotsche and his family in November 1962, the residence has since been home to the families of chancellors Werner Baum, Frank Horton, Clifford V. Smith, Jr., John H. Schroeder, Nancy Zimpher, and the current chancellor, Carlos Santiago.

In 1999, an ADA accessibility compliance study was conducted to evaluate the facility's use as a place of public accommodation, given the numerous university events scheduled there and its use for occasional overnight guests. The study concluded that significant modifications would be necessary to provide accessibility, including providing an accessible parking space, access from the parking to the main entrance, access between the multiple levels, adequate clearances and door widths, and an accessible restroom facility. The estimated total project cost in 1999 was \$295,000 but that amount would be higher at today's costs. The various maintenance and upgrade items were deferred, however, pending a determination of the long-term future of the facility.

Recently Chancellor Carlos Santiago and his wife decided to purchase a condominium apartment in a nearby downtown area. Their new home is in a building which has accessible common parking and group meeting facilities for up to 70 persons. This location will allow the chancellor to host special events for larger and broader ranges of groups than could be accommodated at the Chancellor's Residence.

Following the Santiago's purchase of their condominium, a campus advisory committee was directed to study potential uses for the existing property. The committee could not identify any other use for the residence that would be appropriate or cost effective; therefore, the committee has recommended that the property be sold. Both appraisals indicate that market conditions are good for the sale of a property of this type.

Budget: N/A

Note: Costs for property appraisals, inspection services, title insurance, closing costs, sale preparations, and real estate commissions, if applicable, will be deducted from the sale proceeds. UW-Milwaukee's initial share of the \$20 million asset management cut of 2006-07 was \$1,280,000.

5. Previous Action: None.

Authority to Purchase a Parcel of Land,
UW-Oshkosh

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, authority be granted to purchase a (.62 acre) parcel of land located at 717 West Irving Avenue, Oshkosh, Wisconsin, at a cost not to exceed \$2,455,700 General Fund Supported Borrowing. An estimated \$5,700 of associated appraisal and closing costs is included in the purchase price.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action August 2006

1. Institution: The University of Wisconsin-Oshkosh
2. Request: Requests authority to purchase a property at a cost not to exceed \$2,455,700 General Fund Supported Borrowing. The property is a .62 acre parcel of land with a 28,700 gross square foot building located at 717 West Irving Avenue, Oshkosh, and will be purchased at a cost not to exceed \$2,455,700. An estimated \$5,700 of associated appraisal and closing costs is included in the purchase price. The property value of \$2,450,000 is the average of two appraisals of \$2,400,000 and \$2,500,000.
3. Description and Scope of Project: The property at 717 West Irving Avenue is immediately adjacent to Fletcher Hall on the north and Breese Hall on the west. The building was constructed in 1967 and occupied by the Catholic Diocese of Green Bay. The facility was designed for use as a Newman Center, which is a ministry that serves the needs of Catholic students at non-Catholic universities. In 2004, the property was acquired by the UW-Oshkosh Foundation and subsequently renovated into office/administrative space. The university currently uses the space within the facility for the Division of Academic Support. The environmental audit identified the presence of some asbestos in the building, but the materials are principally located in the basement boiler room, are in good condition, and do not pose a hazard to occupants.
4. Justification of the Request: This acquisition will benefit the university by securing an administrative/office property contiguous to the campus, relieve overcrowding within Dempsey Hall, and support the overall development of the campus. The property is outside the current campus boundary approved in 1994. The boundary will be updated in the spring of 2007 after the Campus Master Plan update is completed. The property was identified in the university's long range campus development plan as desirable for future university development.

The property is being used by the university to house the entire Division of Academic Support. Relocation of this division from Dempsey Hall has relieved overcrowding in that facility and allowed for better organization and utilization of space. Prior to the relocation, the components of the Division of Academic Support were spread out in various pockets throughout Dempsey Hall. Relocating all elements of the Division of Academic support to one facility has enhanced the capabilities and program delivery of this entity.

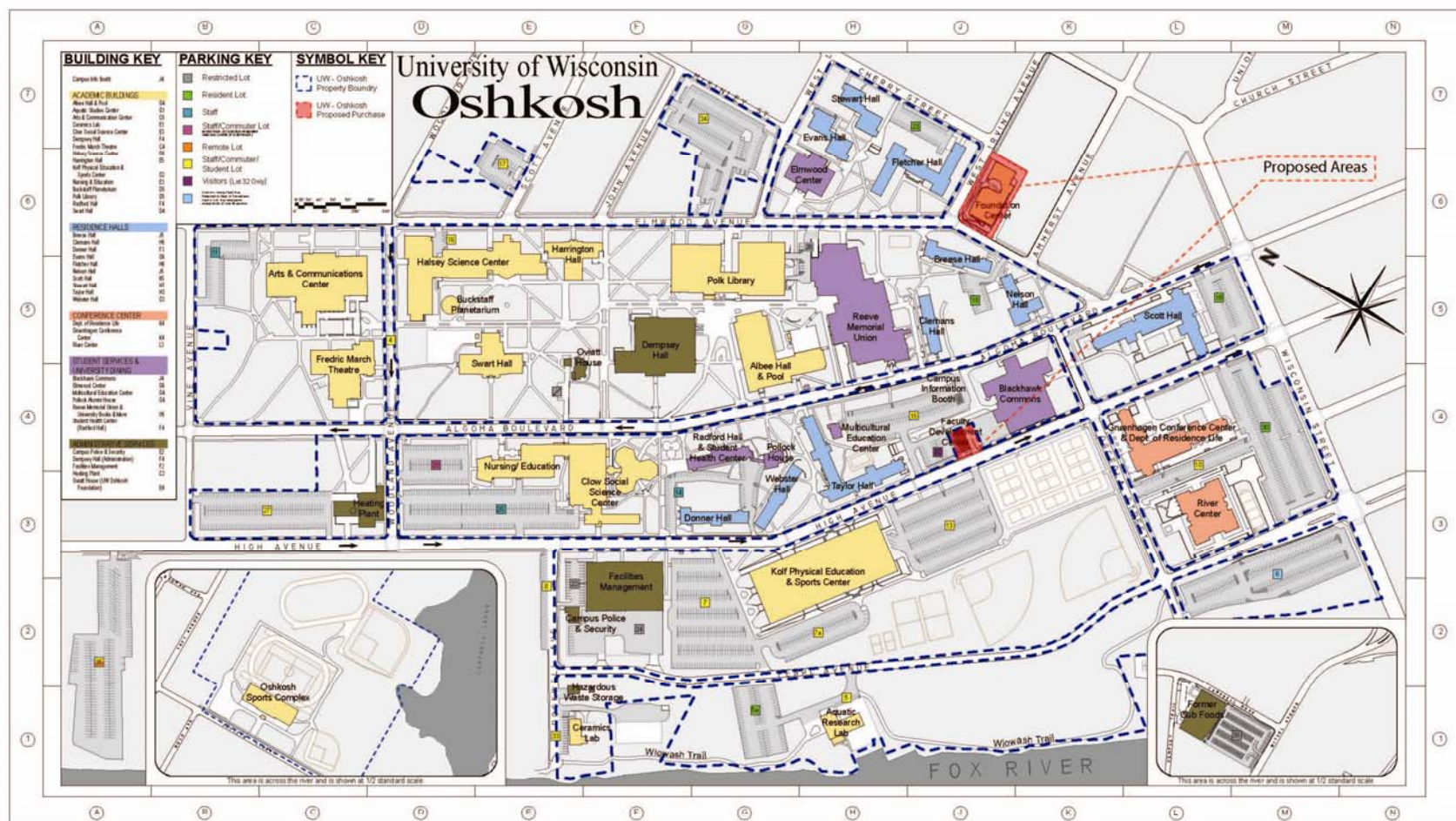
The property was acquired by the UWO-Foundation for \$875,000 and the Foundation has invested \$1,636,773 in improvements for a total cost of \$2,511,773.

5. Budget: The total cost of purchase and fees: \$2,455,700.

6. Previous Action:

August 19, 2004
Resolution 8888

Granted authority to seek enumeration of \$10,000,000 General Fund Supported Borrowing for land acquisition as part of the 2005-07 Capital Budget request. The Newman Center and the UW-Oshkosh Credit Union were listed at a purchase budget of \$1,080,000 General Fund Supported Borrowing.



Authority to Construct Various Facility
Maintenance and Repair Projects,
UW System

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to construct various maintenance and repair projects at an estimated total cost of \$1,821,000 (\$407,000 General Fund Supported Borrowing, \$532,000 Gifts and Grants, and \$882,000 Program Revenue Cash).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action August 2006

1. Institution: The University of Wisconsin System
2. Request: Requests the authority to construct various maintenance and repair projects at an estimated total cost of \$1,821,000 (\$407,000 General Fund Supported Borrowing, \$532,000 Gifts and Grants, and \$882,000 Program Revenue Cash).

FACILITIES MAINTENANCE & REPAIR

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	PR CASH	GIFT/GRANT	BITF	TOTAL
MSN	04H1V	Birge Hall Greenhouse 1-6 Renv (Increase)	\$ 255,000	\$ -	\$ 20,000	\$ -	\$ -	\$ 275,000
PLT	06G3G	Dobson Hall Ext Windows Repl	\$ -	\$ -	\$ 415,000	\$ -	\$ -	\$ 415,000
FM&R SUBTOTALS			\$ 255,000	\$ -	\$ 435,000	\$ -	\$ -	\$ 690,000

HEALTH, SAFETY, & ENVIRONMENTAL PROTECTION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	PR CASH	GIFT/GRANT	BITF	TOTAL
MSN	06G2R	Storm Water Pond Repr	\$ 152,000	\$ -	\$ -	\$ 250,000	\$ -	\$ 402,000
HS&E SUBTOTALS			\$ 152,000	\$ -	\$ -	\$ 250,000	\$ -	\$ 402,000

PROGRAMMATIC REMODELING & RENOVATION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	PR CASH	GIFT/GRANT	BITF	TOTAL
MSN	06G2S	Linnology Trout Lake Cabin	\$ -	\$ -	\$ 47,000	\$ 282,000	\$ -	\$ 329,000
PR&R SUBTOTALS			\$ -	\$ -	\$ 47,000	\$ 282,000	\$ -	\$ 329,000

UTILITIES REPAIR & RENOVATION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	PR CASH	GIFT/GRANT	BITF	TOTAL
MSN	06G2U	Nielsen Tennis Court Renv	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ 400,000
UR&R SUBTOTALS			\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ 400,000

	GFSB	PRSB	PR CASH	GIFT/GRANT	BITF	TOTAL
AUGUST 2006 TOTALS	\$ 407,000	\$ -	\$ 882,000	\$ 532,000	\$ -	\$ 1,821,000

3. Description and Scope of Project: This request constructs maintenance, repair, renovation, and upgrades through the All Agency Projects Program.

Facilities Maintenance and Repair Requests

MSN - 04H1V - Birge Hall Greenhouses No. 1 through No. 6 Renovation (Increase) (\$275,000): This project raises the roof 42-inches, installs new fan coil units connected to the central chilled water system, and installs new electrical systems in Greenhouse No. 1. This project also installs an interior shading system and new lighting for Greenhouses No.'s

1 through 6.

Expanding the scope of this project will increase the functionality of the greenhouse for a wider variety of botany activities needed for academic and research purposes. The existing head height is much lower than current standards for greenhouses and raising the roof provides adequate room for new grow lights. Replacing the cooling system will reduce insect and mold contaminants, and allow it to be connected to the central chilled-water system. New building code and OSHA safety regulations require the exterior shading system be replaced with a new interior shading system. The exterior shading system requires staff working in unsafe conditions on the roof, and upgrading the exterior system is not feasible since it would restrict direct sunlight to the greenhouses year-round.

PLT - 06G3G - Dobson Hall Exterior Windows Replacement (\$415,000): This project replaces 185 exterior windows in student resident rooms and lounges in Dobson Hall, a 4-story residence hall. The replacement windows will be triple slide, energy efficient units with commercial grade insulated glass set in a thermally broken insulated aluminum frame. All replacement windows will be set in existing masonry openings.

The existing windows are original to the building and are in very poor condition. Due to the age of the existing windows, window replacement parts are unavailable. The windows in the residence hall have experienced over 40 years of hard use. The window hardware is failing and some units are falling out of the frames. Single glazed windows with thermally unbroken, un-insulated frames waste significant energy in the building. New windows with commercial grade insulated glass and thermally broken frames will increase the energy efficiency of the building.

Health, Safety, and Environmental Protection

MSN - 06G2R - Storm Water Pond No. 4 Repairs (\$402,000): This project reconstructs and expands Pond No. 4 at the UW-Arboretum, creating a 6.5 acre wet detention pond containing a 4.5 acre normal pool. The expanded wet detention pond will achieve 60 percent removal of solids and associated nutrients and pollutants from runoff entering Wingra Creek from the adjacent Southeast Marsh and Gardner Marsh.

The UW-Arboretum Pond No. 4 has failed and is an undersized 2-acre erosion control structure. Pond No. 4 was built to protect the arboretum and the Carver-Martin neighborhood from flooding caused by storm water runoff from the surrounding 230-acre watershed. Reconstructing the pond will reduce the chances of flooding and reduce the amount of solids and pollutants from entering the lake system. Failure to make improvements to the pond could also result in Clean Water Act fines up to \$50,000 per day per violation of the permit order. The project represents the continuation of an ongoing program to address the growing number of storm water drainage problems on campus and in the Arboretum using, federal, state, and local funding were possible.

Programmatic Remodeling and Renovation

MSN - 06G2S - Trout Lake Research Station New Cabin (\$329,000): This project constructs a new four season and fully insulated 1,190 GSF cabin for the Trout Lake Research Station in Boulder Junction, Vilas County. The cabin will contain four sleeping rooms for a total occupancy of eight. Two of the sleeping rooms will be ADA accessible. The cabin will also contain a kitchen and dining area, a living room and one bathroom (all of which will be ADA accessible). An accessible ramp will connect the paved parking spaces with the main entry to the building. All mechanical, electrical and plumbing systems will be located in the basement. A new well and septic system will be provided to service the new cabin. An existing path through the woods will be widened to 20-feet to accommodate fire truck access.

The Trout Lake Station is a year-round field station operated by the Center for Limnology at the University of Wisconsin-Madison. Located in the Northern Highland Lake District in Vilas County, Wisconsin, the station provides access to a wide variety of aquatic ecosystems and their surrounding landscapes. The station has a long history of aquatic research that continues to the present day. In addition to fostering research, the Trout Lake Station is used regularly by undergraduate and graduate courses from universities throughout Wisconsin and the Midwest.

Housing capacity cannot meet current demand and the housing limitations severely restrict both current activities and development of new research, teaching, and outreach programs. Requests to use the station have reached a record high over the last three years, requiring the department to turn away 33 researchers and research programs. The new cabin will have to help reduce the housing pressures for the station and offer expanded opportunities for faculty and students to participate in its research mission. An NSF grant from the Biological Field Station and Marine Labs (FSML) infrastructure program is the primary funding source.

Utilities Repair and Renovation Requests

MSN - 06G2U - Nielsen Tennis Court Renovation (\$400,000): This project rebuilds six outdoor tennis courts at the Nielsen Tennis Stadium. Project work includes pulverizing the surface into gradable material, installing a 4-inch drainage system, grading and compacting base, paving a new asphalt surface, and applying an acrylic finish coat.

The outdoor courts are no longer economical to repair. A complete resurfacing is required to restore the courts to acceptable condition. The courts support 14-16 Physical Education classes per semester with approximately 25 students per class. The men's and women's tennis programs also share the six courts when practicing outdoors. The National Collegiate Athletic Association (NCAA) requires all NCAA tennis matches be played on outdoor courts weather permitting. The Nielsen Tennis Stadium is the primary venue for NCAA tennis tournaments on campus. In order for the campus to host NCAA tennis tournaments, the courts are required to be in good condition.

4. Justification of the Request: UW System Administration and Division of State Facilities continue to work with each institution to develop a comprehensive campus physical development plan, including infrastructure maintenance planning. After a thorough review of approximately 250 All Agency Project proposals and 520 infrastructure planning issues submitted, and the UW All Agency Projects Program funding targets set by the Division of State Facilities (DSF), this request represents high priority University of Wisconsin System infrastructure maintenance, repair, renovation, and upgrade needs. This request focuses on existing facilities and utilities, targets the known maintenance needs, and addresses outstanding health and safety issues. Where possible, similar work throughout a single facility or across multiple facilities has been combined into a single request to provide more efficient project management and project execution.

5. Budget:

General Fund Supported Borrowing	\$ 407,000
Program Revenue Cash.....	882,000
Gifts/Grants Funding	<u>532,000</u>
Total Requested Budget \$ 1,821,000	

6. Previous Action: None.

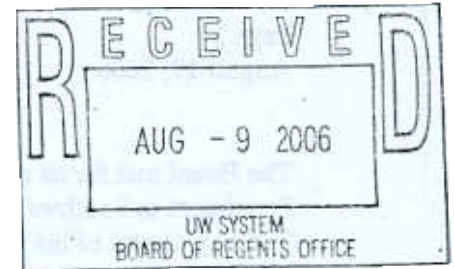
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

August 18, 2006
1820 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin

II.

1. Calling of the roll
2. Approval of the minutes of the August 2, 2006 meeting
3. Report of the President of the Board
 - a. Report on the July 25-26, 2006 meeting of the Wisconsin Technical College System Board
 - b. Presentation on Wisconsin Technical College System Graduate Follow-Up Report
 - c. Report on the July 5, 2006 meeting of the Hospital Authority Board
 - d. Report on the July 14, 2006 meeting of the Educational Communications Board
 - e. Report on the July 21, 2006 meeting of the Higher Educational Aids Board
 - f. Additional items that the President of the Board may report or present to the board
4. Report of the President of the System
5. Report of the Physical Planning and Funding Committee
6. Report of the Business, Finance and Audit Committee
7. Report of the Education Committee
8. Additional Resolutions
9. Communications, Petitions, or Memorials
10. Unfinished or Additional Business
11. Recess into closed session to consider a UW-Madison disciplinary matter, as permitted by s.19.85(1)(a) and (f), *Wis. Stats.*, to consider a student appeal from a UW-Eau Claire decision, as permitted by s.19.85(1)(f), *Wis. Stats.*, to confer with legal counsel regarding pending and potential litigation, as permitted by s.19.85(1)(g), *Wis. Stats.*, and to consider personal histories related to naming of a facility at UW-Whitewater, as permitted by s.19.85(1)(f), *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.



MEMORANDUM

DATE: August 17, 2006

TO: University of Wisconsin Board of Regents

FROM: Mary Quinnette Cuene, President
Wisconsin Technical College System Board

SUBJECT: Wisconsin Technical College System Update

The Wisconsin Technical College System (WTCS) Board met for its regularly scheduled special meeting on Tuesday, June 27, at the System Office in Madison. The following reports and action items were presented at the June meeting:

System President Clancy presented a report concerning a Legislative Audit Bureau (LAB) review of Gateway Technical College's Applied Technology Centers. He noted that the System Office staff will use the LAB recommendations to enhance the policy currently under development regarding the management and operation of applied technology centers. System President Clancy also reported that the LAB released a review of the number of Technical College System employees convicted of felonies. Of the approximately 13,000 System employees, only 15 college employees were identified. System staff will work with the colleges to ensure the LAB recommendations are fully implemented for the safety and security of students and employees.

The Board approved the appointments of three Lakeshore Technical College district board members for three-year terms, and one district board member for a one-year interim term.

The Board received a report highlighting the action steps identified under the Board's Strategic Direction, "Respond rapidly to current, anticipated, emerging and regional workforce needs." The action steps included aligning the WTCS program development process to better reflect labor market changes and trends, expanding the availability of flexible education and training options that benefit business and industry, and addressing the unique workforce education and training needs of small and medium sized businesses.

The Board conducted a performance review of the System President. Board President Smith indicated that a report would be developed summarizing the Board's discussion, as well as highlights of the System President's accomplishments over the past year.

UW Board of Regents

Page 2

August 17, 2006

The Board met for its regularly scheduled meeting on Tuesday and Wednesday, July 25 and 26, in Fennimore at Southwest Wisconsin Technical College. Governor Doyle was also at the college on Tuesday as part of his "Capitol for the Day" trip to Grant and Crawford counties. The following reports and action items were presented at the July meeting:

- Mary Quinnette Cuene was elected President of the Board for the 2006-07 year. Allan Kehl was elected Vice President, and Roberta Gassman was re-elected as Secretary. President Cuene appointed Brent Smith and Peggy Rosenzweig as additional members to serve on the Board's Executive Committee.

Representative Stephen Freese spoke to the Board regarding issues of legislative concern to his district in Southwest Wisconsin.

System President Clancy reported that a recent report released by Moody's Investors Services concluded that the Wisconsin Technical College System is the most highly rated community college system across the nation in terms of its high credit quality. Moody's believes the System's strong credit quality will continue due to the colleges' healthy financial reserve levels and unused margins in operating levies, manageable debt profiles, and the relationships with local businesses and the University of Wisconsin System that encourage enrollment growth.

- The Board adopted modifications to a current Board policy concerning Applied Technology Center approval process and adopted a new comprehensive policy relating to the management and operation of Applied Technology Centers.

The Board adopted resolutions asking the Higher Educational Aids Board to include in their 2007-09 biennial budget request increased funding for the Wisconsin Higher Education Grant (WHEG) and the Undergraduate Minority Student Retention grant programs for WTCS students.

- A report was presented on the transfer of students between the Wisconsin Technical College System and the University of Wisconsin System.

A report was presented relating to "Improving Minority Student Achievement in the WTCS," one of the action steps identified under the Board's Strategic Direction, "Ensure the Success of All Learners." It was noted that both the participation and graduation rate of minority students has increased comparatively over the previous 10 year period.

The Board took action on a number of programming, project and facility decisions, as summarized in Attachment A.

The next regularly scheduled meeting of the Board will be held on September 26-27, 2006, in Appleton at Fox Valley Technical College.

Attachment APROGRAMS

The Board approved investigation of the following programs at their July meeting:

Chippewa Valley Technical College	Cardiovascular Technology
Chippewa Valley Technical College	Medical Coding Specialist
Fox Valley Technical College	Paramedic Technician
Milwaukee Area Technical College	Bilingual Court Interpreter
Northcentral Technical College	Paramedic Technician
Northeast Wisconsin Technical College	Business Management
Waukesha County Technical College	Mechanical Engineering Technology
Western Technical College	Landscape Horticulture

The Board approved the program scope proposal for the following program:

Western Technical College	Pre-Professional Geographical Information Systems-Associate of Science Two-Year Collegiate Transfer
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The Board approved discontinuance of the following program:

Milwaukee Area Technical College	Medication Assistant
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The Board was notified of the following program implementations approved by President Clancy:

Chippewa Valley Technical College	Paramedic Technician
Chippewa Valley Technical College	Therapeutic Massage
Chippewa Valley Technical College	Pharmacy Technician
Madison Area Technical College	IT-Help Desk Support Specialist
Moraine Park Technical College	Business Management
Waukesha County Technical College	Business Management

PROJECTS

The Board approved the following FY 2007 General Purpose Revenue funded projects:

- 3 Workplace Adult Basic Education projects totaling \$54,985
- 1 School-to-Work for At-Risk Youth for Milwaukee Area Technical College in the amount of \$285,000.

The Board approved \$300,000 each for the College of Menominee Nation and Lac Courte Oreilles Ojibwa Community College in Work-Based Learning for Tribal Colleges funds which are made available from Indian Gaming Receipts.

The Board approved FY 2007 Carl D. Perkins Vocational and Technical Education Tech Prep funded projects in the 16 technical college districts totaling \$2,031,825.

Attachment A
Page 2

FACILITIES

The Board approved the following facilities development requests:

Chippewa Valley Technical College – Construction of the Nano Rite Center for Innovation, a mixed use technology incubator, as part of the Gateway Manufacturing and Technology Center in Eau Claire at an estimated cost of \$4.5 million.

Gateway Technical College – Remodeling of existing facilities in Sturtevant at a cost of \$90,000.

Milwaukee Area Technical College – Construction of a building addition on the West Allis Campus at a cost of \$900,000.

Nicolet Area Technical College – Construction of an addition and remodeling of the Tamarack Center at costs of \$1 million and \$991,000 respectively; and remodeling of the Art-Tech Center at a cost of \$974,000.

Western Technical College – remodeling of facilities at the North La Crosse Industrial Park at a cost of \$1 million.

Single Campus Site Designations for 2006-07 – pursuant to Wisconsin Statutes and Wisconsin Administrative Code.

**Highlights of the
University of Wisconsin Hospitals and Clinics
Authority Board Meeting
July 5, 2006**

The meeting was called to order by Patrick Boyle, Chairman, UWHC Authority Board.

Resolutions

The Board adopted three resolutions concerning members Philip Farrell, MD, PhD; State Representative David Ward; and Roger Axtell.

The Board recognized the service and accomplishments of Dr. Farrell who served on the Authority Board while Dean of the Medical School. In addition to the resolution, Donna Sollenberger, President and CEO of UW Hospital and Clinics, thanked Dr. Farrell and told the Board of a gift to Dr. Farrell and his wife Alice from the hospital and UW Medical Foundation: a UW School of Medicine and Public Health scholarship named for the Farrells. In accepting these thanks, Dr. Farrell told the Board that he and his wife plan to direct the scholarship to students in good standing who display an interest in organizational leadership.

The Board also recognized the service and accomplishments of State Representative David Ward, who served on the Board by virtue of his post on the Legislature's Joint Committee on Finance. Ms. Sollenberger especially thanked Representative Ward for his support of the Johnson Creek Cancer Center and the bonding authority needed to finance the new American Family Children's Hospital.

The Board adopted a resolution recognizing the service of director Roger Axtell as a representative of the Board of Regents of the University of Wisconsin and the continuation of that service as a non-voting liaison from the Board of Regents.

Welcome

Mr. Boyle welcomed Robert Golden, MD, the new Dean of the UW School of Medicine and Public Health, to the Authority Board.

Minutes

Minutes of the June 7, 2006, meeting were approved as submitted.

Amendment to Medical Staff Bylaws

Deborah Rusy, MD, presented proposed changes of a technical nature to the medical staff bylaws which were adopted by the Board.

Ms. Sollenberger introduced Dr. Rusy as the new Chair of the Medical Board and President of the Medical Staff, serving a two-year term.

Approval of Clinical Service Chiefs

The list of clinical service chiefs was approved as submitted.

Medical Staff Membership and Clinical Privileges

Recommendations of the Medical Board regarding membership and privileges were approved as submitted.

CEO Report

Ms. Sollenberger opened her report reading a letter from a patient who wrote to describe the quality of the care he received during a recent stay at UW Hospital.

Ms. Sollenberger then updated the Board on fundraising for the American Family Children's Hospital. As of May 31, 2006, received or committed philanthropy funding totals \$30.8 million, leaving approximately \$10.2 million still to raise. Ms. Sollenberger added that the project met its goal of having \$10 million remaining to raise by July 1, 2006.

UWHCA and its two unions completed bargains in recent weeks, concluding both in record time with satisfactory results. On June 15, an agreement was reached with the Wisconsin State Employees Union (WSEU) which represents 2,400 employees. On June 20, an agreement was reached with the Service Employees International Union (SEIU) which represents nurses, dieticians, and therapists from various disciplines.

UWHC's adult inpatient satisfaction scores for January-March 2006 are the second highest ever for the organization. Three measures were in the 99th percentile of the academic health centers surveyed: admissions, room, and personal issues.

Environmental Services achieved outstanding results in patient satisfaction, ranking first out of 31 academic centers and first out of 119 hospitals of comparable size on room cleanliness and staff courtesy.

Other recent recognition includes UWHC's receipt of the top award from *Corporate Report Wisconsin* at its "Best of Wisconsin" awards luncheon.

Ms. Sollenberger also highlighted some individual accomplishments:

- UWHC's eHealth leadership will speak at a national conference about UW Health's intranet rollout.

Ms. Sollenberger is serving as co-leader of the September issue of the journal *Frontiers in Healthcare* on the topic of strategic planning.

Tom Thielke, Vice President of Professional and Support Services, received the prestigious Donald E. Francke medal from the American Society of Health-System Pharmacists recognizing his significant contributions to international pharmacy practice.

CFO Report

Gary Eiler, Senior Vice President and Chief Financial Officer, reviewed UWHC's operating results for the month of May and for FY06 year-to-date:

Adjusted admissions are close to plan despite a trend noted in Madison and nationally toward declining admissions.

- Transplant volume was strong in May, contributing to inpatient gross revenue slightly above plan (1.6 percent).

Accounts receivable achieved a record-low 44 net days revenue outstanding in May.

Operating margin is on budget at 4.4 percent.

Adjournment

The Authority Board entered into closed session and subsequently adjourned.

Report on the July 14, 2006 Meeting of the Educational Communications Board (ECB)

The meeting began at 9:40 am. The minutes of the April 7, 2006 meeting were approved.

Chair's Report: Dr. Wegenke introduced the new Board member, Ellen Rosewell, President of the Wisconsin Public Radio Association, who was attending via telephone. This was followed by an introduction of guests and staff members by Executive Director, Wendy Wink.

Executive Director's Report: Ms. Wink provided a written copy of her report and offered, as well, a summary of the past year's activities, highlighting the opening of the new Operations Center in April, the strategic planning process, revision of radio broadcast schedules, the upcoming Wisconsin Public Television's Korean War series, and awards won by Wisconsin Public Television and Radio (most notably the UNITY Award for coverage of the Hmong community).

Ms. Wink also described a number of ongoing programs. Progress is being made on the digital EAS System which ties television and datacasting capabilities to first responders and emergency response teams. The ECB is part of the second phase of a national pilot program to expand these relationships.

WPR is also one of eight public radio organizations accepted into Public Radio's *More Channels, More Service* development project to provide consultation on strategies to expand program services.

ECB is involved in an alternative energy pilot process designed to reduce energy consumption.

Ms. Wink noted that, while there are no immediate plans to relocate ECB offices, there have been ongoing discussions about the potential sale of their present building. Were DOA to sell the building, ECB would remain at its present site for the next ten years. This is required because of investments already made in operations facilities onsite and the time required to develop an alternate location.

Discussion ensued about erosion in membership numbers. A board member noted that fewer new members are being recruited. Mr. Corriveau indicated that membership income remains strong and that in actuality the membership numbers are remaining constant.

A board member indicated a desire that the multicultural Hmong, and other similar, programs be made available to schools. Ms. Wink will work with staff to coordinate. The board member also indicated a need to continue to do programs with local foci. These efforts will strengthen membership, while also enhancing programming.

ECB Annual Operating Budget Overview: Ms. Wink provided copies of the ECB's annual operating budget. She indicated that ECB has taken budget cuts during this biennium. She foresees good income projections for radio, while there is an increasing need to improve

television underwriting. The only GPR increases noted were in debt service. The budget information provided does not include grant activities, which are successfully pursued in many areas. Membership dollars remain a concern. Demographic consultation is ongoing and there is an increased focus on planned giving.

ECB 2007-09 Biennial Operating and Capital Budgets Overview: Ms. Wink provided a summary of the biennial budget request. Only cost to continue numbers were provided because no budget instructions had been received at the time this document was created. Ms. Wink has asked each division to prepare both 5% and 10% reduction scenarios, which can be provided to DOA, if necessary. It is also hoped that in the second year of the biennium utility costs will be reduced as a result of the operation of new transmitters and that these savings can be applied to DOA proposed cuts.

Six and Ten Year Capital Plans: Ms. Wink reviewed the proposed capital budget projects.

Final Report by Committee to Review Board Policies: Four policies were updated with minor wording changes. Dr. Wegenke indicated that in the future policies would undergo ongoing review. All changes were accepted.

Report by Committee on Strategic Planning: Ms. Wink provided a draft of the ECB 2006-2010 Strategic Plan, which was developed in cooperation with all areas of the organization. Once the strategic plan is accepted all functional areas will complete tactical plans. The Board has agreed to include an annual calendar for strategic plan review and update, and to include accountability measures. The plan as presented was approved.

Closed Session: The Board entered closed session to evaluate the performance of the Executive Director and to set compensation. A decision was made.

Future Topics: The October 20, 2006 meeting will discuss educational programs. A board member also floated the idea of a program on Wisconsinites wounded in Iraq. Dr. Wegenke will raise this idea with programming staff.

The meeting was adjourned at 12:15 PM.

August 17, 2006

TO: Board of Regents of the University of Wisconsin System

FROM: Interim Associate Vice President Sharon Wilhelm

RE: Report on the July 21, 2006 meeting of the
Higher Educational Aids Board

This report summarizes agenda items of the July 21, 2006 meeting of the Higher Educational Aids Board (HEAB) that may be of interest to the Board of Regents. Summary of the agenda items is as follows:

1. Minnesota-Wisconsin Reciprocity Administrative Memorandum of Understanding

An administrative memorandum that specified procedures of the reciprocity program was distributed for informational purposes. The memorandum documents the formal interstate agreement between Wisconsin and Minnesota. It included application procedures and deadlines, in addition to computation procedures for interstate reimbursement.

2. Status of 2005-06 Applicants and Programs

The Executive Secretary reported on the status of the 2005-06 and 2006-07 WHEG programs and the Wisconsin Tuition Grant. In 2005-06, the WHEG-UW committed 135.17% (\$54,720,520) of its appropriation with 29,074 awards.

3. 2007-2009 HEAB Biennial Budget Priorities

Budget priorities suggested by HEAB staff were discussed. The Board approved requesting increases in the Tuition Grant Appropriation, the Wisconsin Higher Education Tribal Appropriation, and the Talent Incentive Program. Approval of the WHEG-UW and WHEG-WTCS programs budget request will occur at the next meeting thereby providing the opportunity for the respective Boards to discuss options and provide their input to HEAB.

5. Next Meeting

The next meeting is tentatively scheduled late August, 2006. The exact date is yet to be determined. The Executive Secretary will contact the Board for possible dates.

**Board of Regents of
The University of Wisconsin System**

Meeting Schedule 2006-07

2006

January 5 and 6 (cancelled, circumstances permitting)

February 9 and 10

March 9 and 10

April 6 and 7 (UW-Green Bay)

May 4 and 5

June 8 and 9 (UW-Milwaukee)
(Annual meeting)

August 17 and 18

October 5 and 6 (UW-Platteville)

November 9 and 10

December 7 and 8

2007

January 4th and 5th (cancelled, circumstances permitting)

February 8th and 9th

March 8th and 9th (at UW-Parkside)

April 12th and 13th (at UW-Oshkosh)

May 10th and 11th

June 7th and 8th (at UW-Milwaukee)

July 12th and 13th

August 23rd and 24th (cancelled,
circumstances permitting)

September 6th and 7th

October 4th and 5th (at UW-River Falls)

November 8th and 9th

December 6th and 7th (hosted by UW-Madison)

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