

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Madison, Wisconsin

UW-Madison

Held in 1820 Van Hise Hall

Thursday, February 9, 2006

10:30 a.m.

- President Walsh presiding -

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

UNABLE TO ATTEND: Regents Gracz, McPike, and Randall

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**THE UNIVERSITY'S GROWTH AGENDA: A VISION FOR THE
FUTURE**

PRESIDENT KEVIN REILLY

In opening remarks, President Reilly reported that the National Center for Higher Education Management Systems had recently placed Wisconsin among the five states with the most productive public university research sectors and also ranked Wisconsin among the top five states with the most productive public baccalaureate and master's institutions, relative to their resources.

Noting that this is high praise, especially in view of the resource challenges the UW has faced, the President said he wished to look ahead with the board toward how to build a brighter future for all of Wisconsin.

In December, he had challenged the board and others to “Think Big” about the university’s critical role in that future, particularly in the areas of brain gain, tuition and financial aid, and the UW’s compact with the state. Part of this big thinking had already borne fruit with the Governor’s recent introduction of the Wisconsin Covenant.

To continue thinking big, President Reilly presented a vision for growing and nurturing the UW System as a great asset for enhancing the state, its people and their quality of life for the 21st century. It was built on his experiences as an educator, provost and chancellor of UW-Extension and President of the System, on the many conversations he had with residents of Wisconsin communities across the state, on the UW’s *Charting a New Course* study, and on the regents’ and chancellors’ retreats of last summer. It included equal parts of inspiration, aspiration, and vision.

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Inspiration

President Reilly remarked that he received inspiration daily through exchanges with students, faculty, alumni, parents, colleagues, citizens and people from around the country and world who reaffirm that the UW is a marvelous university system. He has been inspired by them to do all that he could to keep the university strong and vital.

Like many others, he had been inspired by his parents and grandparents to love learning, attend college, and see to it that others could enjoy the same benefits.

He was inspired by the contributions of the UW’s many outstanding faculty and staff, among them the recently departed UW-Madison Afro-American Studies Professor Nellie McKay, who gave birth to a new field of study and so enriched the experiences of many students and colleagues.

He also was inspired by his surroundings and the legacies of such renowned figures as Charles Van Hise and Thomas Brittingham, as well as by the prominently displayed statue of Abraham Lincoln, that since 1909 had served as an inspiration to many generations of impressionable young men and women.

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Aspiration

Quoting the poet Robert Browning who wrote that “a man’s reach should exceed his grasp,” President Reilly observed that UW leaders are in the business of reaching to put the university within the reach of every state citizen. In that regard, he cited eloquent remarks made by Executive Senior Vice President Mash when he spoke of his own aspirations as a first generation college student and of the importance of carrying forward the message that “college is possible.”

College graduates, President Reilly noted, not only reap substantial personal benefits, they also are more productive workers, pay more in taxes, are more engaged citizens, appreciate diversity, and live longer lives. All Wisconsin residents could have an opportunity to aspire to a better life by opening the doors to every motivated young person who wants to attend a UW campus and is willing to work at their education.

“If we think and act as big as this state’s heart,” he said, “we can find a way to fashion a Covenant program that will foster aspiration and success among our young people.” The goal is increased access for families of middle and lower incomes, a larger percentage of the population with college degrees, and a thriving knowledge economy that will employ these graduates.

In addition, he stressed the importance of fueling the dreams of Wisconsin adults, noting that changing demographics show the future pool of potential college students to be increasingly older and ethnically diverse. The UW, he indicated, will need to have programs in place to educate more nontraditional students in order to improve the quality of the state’s workforce and strengthen Wisconsin’s economy through brain gain.

With the Adult Student Initiative, UW-Extension and the UW Colleges will become the first points of contact in connecting adult students with programs that best meet their needs. They also will partner with four-year campuses to offer bachelor’s degrees in new or emerging fields of high demand and to expand the adult student programs these campuses already have.

The Adult Student Initiative, President Reilly explained, is a direct response to what has been learned from the Committee on Baccalaureate Expansion (COBE), the UW’s joint project with the Wisconsin Technical Colleges, and to regent directives following that committee’s report. The effort will be to get more working adults into UW classrooms, to help more students earn bachelors degrees and create the kind of workforce that will attract knowledge-economy businesses to Wisconsin.

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Vision

President Reilly referred to his statement that, “The University of Wisconsin System should be the state’s premier developer of advanced human potential, of the jobs that employ that potential, and of the communities that sustain it.” What makes any vision statement real, he pointed out, are the actions that it fosters. In that regard, he indicated that this vision could be applied to a growth agenda by producing more nurses, teachers, pharmacists, engineers, entrepreneurs and other professionals that could promote progress for Wisconsin.

Remarking that there are many ideas for growing student populations and state and local economies, he commented that the efforts are creative collaborative, cost-effective, multi-institutional, and even multi-state. Examples include UW-Platteville’s Tri-State engineering initiative and the Central Wisconsin Connection, a collaboration among UW-Marathon County, UW-Marshfield/Wood County and UW-Stevens Point to enable more students to obtain four-year degrees while matriculating at two-year campuses. These and many other new initiatives and ideas recognize the need for new approaches to doing business in an era of constrained state support.

Similarly, the proposal before the board to make nonresident tuition more competitive is intended to produce additional revenues to grow both resident and nonresident student populations.

In order to foster growth in the state's economy, the vision includes growth in research capacity at UW-Milwaukee in conjunction with the region's private institutions in order to invigorate the greater Milwaukee economy. In addition, fueling the biomedical and biopharmaceutical engines at UW-Madison will not only lead to discovery of cures for disease but also create spin-off companies and high wage jobs.

Other initiatives include helping UW-La Crosse with its tuition-driven growth plan; supporting UW-Stout's emergence as Wisconsin's Polytechnic; exploring new ways at UW-Parkside and other campuses to increase retention and graduation rates; and growing the economy of the Fox Valley through UW-Oshkosh's Baccalaureate Completion Program and UW-Green Bay's plans to expand its student body.

Each of these campus-specific opportunities, President Reilly observed, reflect the wisdom of a system that can empower its individual campuses to find their own market niche and make their own distinct contribution to the UW System and the state.

The goal is to move Wisconsin where it needs to go by closing the gap between Wisconsin's per capita income and that of Minnesota, by increasing the number of baccalaureate degree holders to make the Wisconsin nationally competitive in that regard, by bringing state GPR support per student within 95% of the national average, and by building a thriving 21st century knowledge economy and a high quality 21st century life.

Noting that these goals require reinvestment by the state, President Reilly said "We are anxious to join with our state government partners in an agenda that will provide a substantial return on that investment – a better economy, more tax revenues, increased volunteerism, less crime, clean air and water, high-paying jobs, and a quality of life second to none."

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The Wisconsin Covenant

Stating that an important element of a growth agenda is Governor Doyle's recently announced Wisconsin Covenant, he called on Interim Associate Vice President Sharon Wilhelm to discuss some possible components of this initiative.

Ms. Wilhelm recalled that, at the December 2005 meeting, background information was provided for development of a financial aid plan to increase participation of students from low-income families in higher education. Data showed that students from the lowest income families are less likely to enroll in the UW and that average tuition and fees for resident undergraduates have increased more rapidly than the average state need-based grant.

The Wisconsin Covenant could help reduce this disparity by encouraging 7th and 8th grade students below a certain income threshold to sign a pledge to meet academic and citizenship requirements. If they fulfilled the pledge, they would receive enough state grant aid to cover tuition and fees at any UW institution to which they were admitted.

Ms. Wilhelm indicated that one basic decision would involve eligibility for the program, noting that this would have a significant impact on its cost. One option would

be to use an income cutoff based on state income quintiles, while another would be to target the program to students who are eligible for the federal free and/or reduced lunch program. This program, which has been in operation for more than 50 years, is one that school children understand and is the criteria used for the Indiana Pledge program.

Within the latter option, there are two others. One would be to use the income cutoff for just the free lunch program, which is 130% of the poverty level, or about \$25,000 in 2005. The other would be to use the income cutoff that would include both free and reduced lunch, which would be 185% of the poverty level, or \$36,000. The income cutoffs are adjusted each year based on federal poverty guidelines.

Whichever criterion is chosen, Ms. Wilhelm noted, it would be important to provide a clear eligibility message to middle school students and their parents.

With regard to academic options, she pointed out that adequate academic preparation, developed through challenging high school coursework, provides students with the skills necessary to succeed in college. One option would be to require students to successfully complete college preparatory courses in high school. Another option would be to require that students achieve a certain high school grade point average or rank in class to be eligible for the grant. She added that consultation with the Department of Public Instruction and K-12 practitioners would be necessary to further understand the policy implications of these options.

Concerning the good citizenship component, she indicated that one option might be a community service requirement. Another might be a requirement that the student stay out of trouble and away from illegal activity. Noting that Indiana's program has an extensive set of rules about what constitutes good citizenship, she suggested that there be further discussion with administrators of that program to assess the feasibility, impact and effectiveness of such requirements.

If the Wisconsin Covenant program were to be implemented in the next biennium and 7th and 8th grade students began to sign pledges in the fall of 2007, the first cohort of enrollees into the UW System would arrive in fall 2012.

Noting that low-income students are retained and graduate at much lower rates than students from higher income families, Ms. Wilhelm indicated that the 74.8% retention rate into the second year for the lowest income quintile students is about eight percentage points less than the highest income students. In addition, low-income students graduate at rates almost 20 percentage points behind the highest income students.

Therefore, she suggested that consideration be given to providing additional grant support for the most financially needy students prior to 2012. The first installment of financial aid dollars could be sought as part of the 2007-09 budget request. These dollars could be used to support current and future students until the Wisconsin Covenant students began to enroll. At that point, the base dollars would be shifted to support those students.

In conclusion, Ms. Wilhelm said that, over the next year, staff planned to work with staff from the Higher Educational Aids Board, members of the K-12 community, legislators, members of the Executive Branch, the UW financial aid community, high

school counselors and others to obtain input on how shape various aspects of the program.

Asking for the Board's guidance in that regard, Ms. Wilhelm referred to a form that regents could use to express their preferences as to various components of the program.

In discussion following the presentation, Regent Loftus cited the argument that admission based on merit produces a higher income student body because those students have advantages that better prepares them to compete successfully for admission.

Ms. Wilhelm indicated that students from the lowest income quintile have become a smaller percentage of the student body over the years. While many factors have contributed to that result, the Covenant would increase students' aspirations, encourage college preparation and provided needed financial aid.

Associate Vice President Freda Harris added that , if students do not believe that can afford to go to college, they will not be motivated to take college preparation courses and won't apply. The Covenant would help to raise their aspirations and let them know that college is possible for them.

President Reilly indicated that qualified Wisconsin residents will be admitted at some UW institution, although not everyone will be admitted to the more popular and selective institutions.

In response to a question by Regent Davis, Ms. Wilhelm explained that funding for the Covenant would be phased in and that the emphasis would be on providing aid for the students who signed the Covenant. Funding for others would be less robust.

Regent Davis noted the importance of communicating to students and families about the availability of the Covenant and the importance of signing on.

Regent Crain pointed out that some students might develop college aspirations later than middle school and asked if there would be flexibility to accommodate them.

President Reilly replied that the Covenant funding would be a "last grant" gap closer between other financial aid and remaining need. Students who did not sign the Covenant would remain eligible for other aid.

Regent Crain asked what it would mean to "not get in trouble". In response, Ms. Wilhelm indicated that Indiana and Oklahoma have extensive rules on good citizenship requirements. It would be helpful to get more information from those states on their rules and how to monitor them.

Chancellor Keating commented that a negative requirement would not be helpful and that student participants should be given a positive challenge, rather than just being told to stay out of trouble.

Noting that he had been in Indiana when its program started, Chancellor Wells explained that funding was provided for 7th and 8th grade students and that the pledge program would not have worked effectively without that support.

Regent Spector asked if there were any surveys as to why low-income students do not go to college in larger numbers, noting that there could be other reasons besides cost. The program then could be tailored on the basis of the data from the survey.

Expressing agreement, Ms. Wilhelm related that considerable research was being conducted, but that it was in early stages. Indiana's college-going rank was up from 34th in 1992 to 10th in 2002.

Regent Rosenzweig suggested talking with people involved in the programs in other states to look at evaluations of the program and ask how they could be improved.

Referring to a slide showing family income of UW resident new freshmen, Regent Loftus inquired about how a breakdown by campus would look. Ms. Harris replied that it is harder for selective flagship universities to get low income students. Regent Loftus observed that an important question is whether that situation is acceptable.

He asked if the Covenant will be open to those going to technical colleges, noting that most transfer students to UW-Madison come from Madison Area Technical College. Replying that the parameters of the program are yet to be defined, Ms. Wilhelm said that, so far, costs have only been estimated for the UW. Ms. Harris added that the program is focused on the UW because access for low income students to the technical colleges has not been as much of a problem.

President Reilly observed that part of the genius of the idea is to send a message early to low income students so they can prepare academically and be more ready to compete for admission.

Regent Loftus commented that some universities tend to use admissions to increase their rankings, which favors higher income students who tend to be better prepared.

Chancellor Hastad indicated that family income of UW-La Crosse students has risen dramatically, but not intentionally, in recent years. What happens, he explained, is that able low income students receive better financial aid packages at other universities.

Regent President Walsh remarked that the challenge of changing middle school students' expectations is an exciting prospect. Noting that cost is an issue, he inquired about the experience in other states and the cost to K-12 schools.

Regent Burmaster, State Superintendent of Public Instruction, explained that the focus of the K-12 schools reflects the same vision as the covenant, through such initiatives as pre-school programs and the SAGE program. K-12 budgets also are focused on closing the achievement gap. She indicated that thought would need to be given to how to implement the program. Regent Walsh added that it would be important to obtain cost figures from other states with such programs.

Noting that the free and reduced lunch program is a familiar one to middle school students and families, Regent Bradley asked if the recommendation would be to use this option to determine income eligibility for the Covenant program. Replying that she would recommend using that option, Ms. Wilhelm noted that a clear and understandable message will be very important. Income quintile figures, on the other hand, change every year and would be harder to understand and implement.

Regent Bradley inquired as to the cost differential between using eligibility for the free lunch program and using eligibility for the free and reduced lunch program, and Ms. Harris replied that costs of these options had not yet been calculated.

Regent Burmaster pointed out that the percentage of students eligible for the free and reduced lunch program in Wisconsin is high and growing.

Ms. Harris indicated that the cost estimate would be \$7 million each year to fully fund the program, based on 24,100 8th grade students.

In response to a question by Regent Rosenzweig, Ms. Wilhelm indicated that family income at the time of pledging would determine eligibility. What would happen if family income increased later was still to be determined. Ms. Harris added that participants in the program would need to remain eligible for financial aid.

In response to questions by Regent Semenas, Ms. Wilhelm indicated that the aid would be provided in the form of grants; and Ms. Harris added that it would be separate from Wisconsin Higher Education Grant (WHEG) funding and would be administered by the UW or by the Higher Educational Aids Board.

Replying to inquiries by Regent Salas, Ms. Harris explained that cost estimates were calculated by looking at the experience in other states regarding the number and percentage of students that signed the pledge. She added that cost would depend on what is decided in terms of eligibility for and components of the program. Figures were based on a six percent tuition increase. While the funding source had not been decided, financial aid has historically been funded by GPR. The program, she observed, would be relatively inexpensive compared to the benefits that would result.

Regent Davis remarked that the notion of getting students who would not otherwise aspire to higher education to sign a pledge is the same model used by the organization that she directs, Pearl for Teen Girls. Their experience showed that, if students have the opportunity to make a commitment and know that there will be a reward for doing so, they are likely to honor that commitment.

Regent Crain expressed interest in the admission criteria used at different UW campuses and how that affects the composition of the student body.

Regent President Walsh asked that 2005 data on family income quintiles be obtained as soon as possible since it will be important to have the most recent figures available when working with the Legislature on this matter.

Regent Loftus pointed out that there are significant differences among campuses in terms of students' family income. In view of the gap between the number of women and men students, he observed that a requirement about "not getting in trouble" could have the effect of exacerbating that discrepancy.

With regard to the academic component of the program, Regent Semenas asked for information about the average grade point average of entering freshmen both system-wide and excluding UW-Madison.

Commending President Reilly on the vision for a growth agenda, Regent Axtell suggested that the global knowledge economy be made an explicit part of the vision.

Regent Smith also stated his support for the growth agenda and for its attention to thinking outside the box. He commented that increasing numbers of baccalaureate degrees is critical to the state's economic growth and that flexibility for campuses to launch new initiatives will be important. In that regard, he cited the UW- La Crosse plan for tuition flexibility that would increase financial aid for lower income students as an idea which he hoped the board would consider, along with other innovative plans to grow Wisconsin.

Regent Pruitt congratulated President Reilly for his vision of a growth agenda and for the challenge to reach beyond perceived limits in order to achieve more for the state and students. Pointing out that one reason for concerns about admissions is that the UW has not grown to meet demand, he stated the need to expand access both to the System as a whole and to individual campuses, including UW-Madison.

Concluding the discussion, Regent President Walsh remarked that, having resolved several recent problems, the board and the university were ready to address the very important challenge of growing access for the benefit of the state and its economy into the future.

The meeting was adjourned at 12:05 p.m.

Submitted by:

Judith A. Temby, Secretary