

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Kenosha, Wisconsin

UW-Parkside  
Held in Galbraith Room/Wyllie 363  
Thursday, March 8, 2007  
10:15 a.m.

- President Walsh presiding -

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

UNABLE TO ATTEND: Regent Shields

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**GOVERNOR'S 2007-09 OPERATING BUDGET  
RECOMMENDATION**

In opening remarks, Regent President Walsh stated that Governor Doyle's proposed budget would mean "very good news for college students, taxpayers, and for higher education in Wisconsin. It's a very positive signal that the state is ready to reinvest in higher education." The budget, he said, would help the UW begin to recover from years of budget cuts, including \$250 million four years ago, and would keep tuition increases much lower than in recent years, although the amount of those increases could be affected by state revenue receipts.

Over the next two years, the Governor's budget would reinvest \$225 million of new state resources in higher education, \$42 million of which would be used to increase financial aid for UW students and would be distributed through other agencies. Consistent with the Board of Regents' request, funding would enable students from the lowest income families to be held harmless from tuition increases to the extent possible

based on state revenue receipts. Another \$2.9 million would go to the Department of Administration for the Wisconsin Covenant Office.

The Governor's investment in the UW System itself would be \$180 million, much of which would pay for costs to continue current operations. The budget also would provide more than \$20 million for Growth Agenda initiatives.

In conclusion, Regent President Walsh thanked Governor Doyle for fulfilling his promise to reinvest in student access, courses, teachers, and job creation for Wisconsin's future. Noting that work with the Legislature would continue, he remarked that the Growth Agenda for Wisconsin is a program that the people of the state can enthusiastically support.

President Reilly said that the Governor's budget would increase access to higher education, increase college aspirations among Wisconsin's children and grandchildren, and create jobs for the knowledge economy. "The budget is, indeed, a ringing endorsement of the Growth Agenda for Wisconsin," he remarked.

The Board of Regents, he recalled, began early discussions about helping students find ways to pay for post-secondary education, an idea that sprung from the board's commitment to improving access for students from low-income families. This program would become a reality in the form of the Wisconsin Covenant – a top priority in the Governor's budget. The program would encourage students in the 8<sup>th</sup> grade to prepare to attend a UW campus, a Wisconsin Technical College, or one of the state's private universities by working hard, getting good grades, and being good citizens. The UW already was working with Jill Hassenfelt of the Department of Administration to get the program up and running.

An outstanding feature of the budget, the President continued, is that it would invest in every one of the UW's Growth Agenda for Wisconsin initiatives. The budget would provide full implementation in the second year of the biennium for each of the initiatives that will address regional needs and for the Adult Student Initiative.

President Reilly then introduced Tabitha Flores, a senior at UW-Parkside, who commented on what the UW-Parkside Foundation for Success Growth Agenda initiative would mean for students. Stating that the university had given her a "whole world of opportunity," she noted that she would not have been accepted by many colleges because of her high school grades and ACT score. UW-Parkside, however, accepted her and gave her the sense of direction that she needed to succeed.

She joined Latinos Unidos and also became a mentor for younger students. Then she became a pre-enrollment mentor, motivating high school seniors to further their education, and a summer orientation leader, introducing incoming freshmen to UW-Parkside. She also served as a resident advisor, working to assist fellow students and create a sense of unity on campus. In addition, the university enabled her to try out a business marketing internship, advocate for education funding in Washington D.C. with the Parkside Student Government Association, and study abroad in Cuernavaca, Mexico.

In conclusion, she remarked that none of her accomplishments would have been possible without the assistance of university faculty and staff who were always willing to help her.

The more than \$20 million investment in the Growth Agenda, President Reilly continued, would mean that the UW could increase student enrollment, improve retention, graduate more students, invest significantly in research that will transform Wisconsin's economy, and boost programs in high-demand fields, such as science, engineering, teacher education, and nursing.

When the first Wisconsin Covenant students are ready for college, the Growth Agenda will insure space for them on campus and the opportunity for the education they will need to become part of the knowledge economy of the future.

Indicating that the Governor's budget also provides funding to recruit and retain talented researchers and teachers, President Reilly said that the proposal is for the next budget to include twice the amount received in the current biennium to ensure that the UW is not a training ground for other universities.

In a recent newspaper column, the Governor referred to the Growth Agenda as a "new partnership. . . to educate and train the next generation of workers for Wisconsin's economy." He also said that "an investment in higher education is an investment in Wisconsin's future . . . And it's an investment whose time has come."

President Reilly reported that he and others have continued to hear from legislators on both sides of the aisle that higher education is a top priority and a good investment. In a recent column to constituents, Senate Majority Leader Judy Robson said that she and other legislators are very proud of their UW ties and that the Growth Agenda is one part of how the UW System helps "hardworking students achieve their dreams."

Senator Sheila Harsdorf, a member of the Agriculture and Higher Education Committee, wrote a column in which she said that she "applauds and welcomes" the Growth Agenda to further Wisconsin's success in the knowledge economy and that the "strength and adaptability of our higher education system is critical to our state's prosperity."

President Reilly then introduced Associate Vice President Freda Harris for a summary of major items in the Governor's Budget.

Noting that the board requested funding for the Growth Agenda to enhance workforce development and increase the number of baccalaureate degrees in the state, Ms. Harris said that the Governor's budget provides sufficient funding to allow the UW to implement all these initiatives in the 2008-09 fiscal year. If funding is provided by the Legislature, this would allow UW institutions a year to gear up for the program, so that it would be ready to move forward when resources become available.

The budget also would fully provide the funding requested by the board for recruitment and retention of faculty and research academic staff. The board would need to submit a report to the secretary of the Department of Administration in each year for

approval prior to expending the monies. The budget would fully fund cost-to-continue expenses, including fringe benefits and the prior biennia's salary increases, which are vital to maintaining ongoing operations.

The budget would re-estimate the amount needed to increase the Lawton Minority Retention Grants by the same percentage as tuition and also would provide funding to adjust the Advanced Opportunity Program by percentages equivalent to estimated increases in graduate tuition.

The budget would fund the board's request for utilities, as well as additional resources to cover anticipated inflationary increases in the next biennium. The budget also would provide funding for increases in debt service on authorized bonds.

The budget would authorize increases in program revenue for operations such as auxiliaries, intercollegiate athletics, the Veterinary Diagnostic Lab and the State Lab of Hygiene, among others.

In addition to the board's request, the budget would provide \$2.5 million in one-time funding for the Biomedical Technology Alliance, which was previously funded by a grant from the Wisconsin Department of Commerce. The budget also would provide \$250,000 on an ongoing basis for the Islet transplantation program in order to cover rent for the program as it moves to a new location.

The budget would extend the ability to the UW to retain proceeds from the sale of land through June 2009. Under current provisions, this authority would have lapsed at the end of the fiscal year.

In addition to funding increases, the Governor's budget includes proposals to provide domestic partner insurance for all state employees, decrease the waiting period for providing insurance to new state employees from six months to two months, provide resident tuition to certain undocumented persons, and allow UW faculty and staff to choose whether to participate in collective bargaining.

Another portion of the budget would require the secretary of the Department of Administration to lapse \$40 million annually for continuous process improvement during the coming biennium. How these funds would be allocated to various agencies was not yet known.

The Governor's budget would establish an Office of the Wisconsin Covenant in the Department of Administration with two staff positions and would set up an appropriation to fund the Covenant, which would be offered to eighth graders sometime this year. The budget would fund the statutory link that increases the UW-Wisconsin Higher Education Grant (WHEG) appropriation by the same percentage as tuition. \$8.5 million more than the required amount would be included in the WHEG appropriation to freeze tuition costs for grant recipients over the next two years.

Finally, the budget would provide funding in the Higher Educational Aids Board budget to pay for tuition increases and expanded participation in the remissions provided to veterans, spouses and children.

In discussion following the presentation, Regent Davis asked which requests for the Growth Agenda were not funded in the first year, and Ms. Harris replied that such requests would involve hiring people to start programs, equipment purchases, applied research funding, and early math placement testing. However, some work could be done in the first year to prepare for implementation.

In response to a question by Regent Loftus, Ms. Harris indicated that funding for the veterans program would not be sum sufficient and that it would cover increases, but not costs from this biennium, which amounted to \$7 million.

Regent Salas inquired about the impact of utility costs on tuition; and Ms. Harris replied that, in 2005-07, much of the increase in utility costs was paid by tuition due to lack of state resources. In 2007-09 the impact on tuition would be much less because utility cost increases would be paid by the traditional funding split of 65% state funds and 35% tuition funds.

Regent Salas asked about lack of funding increases for the Lawton Grant Program and Advanced Opportunity Program and inquired as to why a larger proportion of Lawton funds than Advanced Opportunity funds were granted to multicultural students. In response, Ms. Harris explained that additional funding for minority/disadvantaged programs had not been requested pending an implementation of measures to assess the success of various programs. However, she noted that funding for these programs had remained level and had not been reduced during recent budget cuts. She indicated that the difference in participation of students of color in the two programs could be due to fewer students of color studying at the graduate level.

Commenting that funds should be directed toward successful programs, like the Lawton grants, Regent Salas remarked that, in considering implementation of the Wisconsin Covenant, ways should be sought to best serve multicultural students.

In reply to a question by Regent Pruitt about how the Covenant is evolving, Ms. Harris indicated that the budget would provide \$8 ½ million in Wisconsin Higher Education Grants to begin building a funding base. Noting that the UW is participating in meetings about implementation, she said that the intention is for the first group of students to sign up before the end of the year.

Regent Davis suggested that an in-depth discussion of the Covenant, involving all parties, be scheduled for a future board meeting.

President Reilly added that the American Council on Education's "Know How 2 Go" campaign is directed at informing students, particularly those who are disadvantaged, about what they need to do to get to college.

Regent Loftus inquired about budget initiatives that were not part of the board's request. One such item, Ms. Harris indicated, is the Biomedical Technology Alliance, which involves partnership efforts toward technology transfer, that would receive a one-time \$2 ½ million biennial appropriation. Matching funds would be provided by the Alliance.

Chancellor Keating added that partners include UW-Milwaukee, UW-Parkside, and the Medical College of Wisconsin. The program brings faculties together to work on

biomedical issues; and, in order to receive funding, faculties must be from two or more campuses. Funding for the program is being handled by UW-Milwaukee.

Another initiative that was not part of the board's request, Ms. Harris continued, would be the Islet Transplantation program for juvenile diabetes patients. The ongoing funding would pay for rent.

In addition, she indicated that debt service would be estimated by the Department of Administration and added to the budget, as would cost of utilities.

In response to a question by Regent Bradley, Ms. Harris explained that recruitment and retention funding could be used to hire faculty for the Growth Agenda and that the university is able to add positions when funding is available. The plan provided to the Department of Administration would indicate priorities and distribution method for how the funding would be used and how much would go to each campus.

Chancellor Wells added that the Growth Agenda at UW-Oshkosh would involve 24 additional tenured faculty to teach the larger number of students that the university would serve. Stating that these faculty would be of great importance and would be placed in high demand areas, he indicated that eight or nine would be hired in nursing and the rest in biology, science, mathematics, and education.

Regent Bradley remarked that individual institutions are in the best position to determine how to make use of this very important funding.

Noting that the Growth Agenda is a significant part of the budget, Regent Walsh observed that the Governor has been hearing that people across the state believe in it.

In response to a question by Regent President Walsh about the impact of pay increases on tuition, Ms. Harris indicated that the board's budget request contemplated an increase of 2 ½% per year, an amount that would not be much changed by the Governor's budget. Noting that this increase would not include pay plan, she said that, if those increases were fully state-funded, as requested by the board, the overall tuition increase would be about 3% per year. Given other demands for state funding, she thought the pay plan might well include a tuition component.

Regent Smith asked about consideration of the budget by the Legislature's Joint Committee on Finance.

In reply, President Reilly indicated that the committee had scheduled hearings around the state and that the UW's formal hearing would be on March 22<sup>nd</sup>.

Regent Crain asked for advice on what role the regents could play to best be visible and effective during legislative considerations, and President Reilly said that more information in that regard would be forthcoming.

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## **REPORT OF THE COMMISSION ON ENHANCING THE MISSION OF THE UW COLLEGES**

In introductory remarks, President Reilly observed that Chancellor David Wilson has traveled all over the state and made a great deal of progress since he took office last year. At a recent Assembly hearing, Representative Sue Jeskewitz complimented him on the listening sessions he had conducted.

Stating that the UW Colleges are central to the Growth Agenda for Wisconsin, President Reilly indicated that Chancellor Wilson had appointed a high-level commission to advise him on how to move the mission of the colleges forward. The commission was co-chaired by John Torinus, President of Seriograph, and Regent Emeritus Roger Axtell. Members included Representative Jeskewitz, Senator Russ Decker, and other prominent educational and civic leaders.

Beginning his presentation, Chancellor Wilson noted that the UW Colleges are arrayed around the state and serve many place-bound adults and other students. After having traveled the state, listening to many and varied audiences, he appointed a commission to advise on how the colleges could best respond to what he heard.

The UW Colleges, he said, do the following very well:

- Prepare students for baccalaureate success in such important areas as critical thinking and communication skills. In that regard, students from the UW Colleges do better at the colleges and universities to which they transfer than do any other transfer students.
- Provide accessible, affordable liberal arts education by offering classes that are convenient at a lower cost than the comprehensive universities.
- Bring the resources of the university to the people of the state.

As to those served by the UW Colleges, the chancellor indicated that the colleges serve the second largest number of freshmen in the UW System. Thirty-three percent of UW College students are place-bound adults, and seven percent are students of color. In that regard, the colleges serve as the number one access point for American Indian students, the number three point of access for Asian and Hispanic students, and the number five point of access for African American students.

The UW Colleges charge the lowest tuition in the system, and UW College students have the second lowest family income.

With all the success the colleges have had in serving students, the chancellor said, he was surprised by comments he heard about the colleges being “under siege.” With that in mind, he appointed a commission to advise him on how best to use resources to meet the needs of the state. The 18-member group included two legislators, five business executives and other prominent external and internal members.

The commission's recommendations included the following:

- Ease access for place-bound students.
- Enhance opportunities for residents wherever they live by exporting the curriculum to Technical Colleges, university centers around the state and other locations.
- Explore the feasibility of residence halls to better serve students from outside the immediate area.
- Expand the university center model on UW College campuses, working to use resources wisely.
- Obtain authority to grant bachelor's degrees on a restricted basis to serve place-bound students.
- Find ways to decrease dependence on tuition revenue.
- Restructure tuition to bring the price at the UW Colleges more in line with the Technical Colleges and to expand access for adults.
- Seek greater public investment.

In a recommendation that went beyond its charge, the commission suggested that the state consider a self-funding investment in higher education, also known as the "free tuition" recommendation.

Turning to next steps, Chancellor Wilson identified the following:

- Assemble a group to explore exporting programs to northern Wisconsin to reach a population not now being served.
- Consider expanded degree programs and delivery mechanisms in conjunction with the Adult Student Initiative. Challenge traditional paradigms and develop more nimble programs to be delivered online or in evenings and on weekends.
- Explore the university center model and turn UW College campuses into university centers to better serve the state.
- Make a proposal regarding tuition structure.
- Explore implications of residence halls and funding options.
- Conduct visits to the Capitol to explain what the colleges do well and to make the case for more investment.

In discussion following the presentation, Regent Crain inquired about the perception that the colleges were "under siege." Chancellor Wilson thought that the perception had been fueled by talk at the time about merging the colleges with the



comprehensive universities. This gave rise to angst in the colleges and in the counties that had invested greatly in them.

Congratulating Chancellor Wilson and the commission on their excellent work, Regent Salas referred to research cited in the report showing that there are 60,000 place-bound working adults interested in enrolling in a degree program, and Chancellor Wilson added that a survey by UW-Extension for the Committee on Baccalaureate Expansion found that there is a potential market of one million adults who could be served if the UW is nimble enough to meet their needs.

Referring that the recommendation that tuition be restructured to be more competitive with the Technical Colleges, Regent Salas noted that funding is very dependent on tuition and that reliance on tuition to fund academic programs has increased from 33% to 64% in the last six years.

Chancellor Wilson added that the proportion of funding provided by the state has decreased over time to 35% and that the proportion of funding borne by tuition has risen accordingly. All possible streamlining has been done to effect cost efficiencies.

In response to a question by Regent Loftus, UW Colleges Provost Margaret Cleek said that the persistence rate of college students who transfer to four-year UW institutions is 78% -- 10% higher than the next highest source of transfer students, including transfers among four-year institutions.

Commending Chancellor Wilson for his excellent work, Regent Spector said that he strongly felt that a strategic plan is needed for viewing the larger picture, including the UW Colleges and the Wisconsin Technical Colleges.

President Reilly said that these issues would be discussed at an upcoming retreat of the chancellors.

Indicating her agreement with Regent Spector, Regent Davis added that she had spoken with Regent Emeritus Axtell and learned a great deal from his depth of knowledge. She asked Chancellor Wilson to identify the greatest challenges involved in his next steps.

Chancellor Wilson responded that the first challenge is the question of the future alignment of the UW Colleges and the Technical Colleges, particularly in view of the Chippewa Valley proposal and others that may come forward. A second challenge is to work with faculty to bring them on board in expanding the mission of the colleges. The tuition issue is another significant challenge that will require continued work.

The discussion concluded, and the meeting was adjourned at 11:55 a.m., upon motion by Regent Semenas, seconded by Regent Davis.

Submitted by:

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Judith A. Temby, Secretary