

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
September 6, 2007
10:00 a.m.

- President Bradley presiding -

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

UNABLE TO ATTEND: Regents McPike and Smith

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Regent President Bradley began the meeting by indicating that Regent McPike was unable to attend because the cancer for which he had previously been treated had returned. President Reilly added that Regent McPike told him that his service on the Board of Regents has been a highlight of his career and that he hopes to continue serving as circumstances permit.

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**THE STRATEGIC FRAMEWORK OF THE UW SYSTEM TO
ADVANTAGE AND ADVANCE WISCONSIN'S FUTURE**

In opening remarks, Regent President Bradley recalled that, to address the needs of the state going forward, the UW advanced the Growth Agenda for Wisconsin. Noting that this plan generated a broad range of support, he said that many with whom he has spoken have asked whether the state could afford not to pursue it.

While many aspects of the Growth Agenda came forward as budget initiatives, the UW was now moving to a broader framework, which was under-girded by the recent presentation to the to the board by Dennis Jones, president of the National Center for Higher Educational Management Systems.

He then turned to President Reilly for a presentation regarding the strategic framework. President Reilly began his remarks by acknowledging the work of Executive Senior Vice President Don Mash, Senior Vice President Rebecca Martin and all the others who contributed to the framework being presented at this meeting.

Last May, he recalled, he had spoken with the board about the Growth Agenda and beyond – big picture ideas. In June, Dennis Jones spoke about his view of the situation on a national level, how Wisconsin fit into that picture, and how other states were advancing in the knowledge economy. Discussion at a chancellors’ retreat played a key role in developing the framework; and, in July, the Board of Regents’ retreat focused on the board’s role in the process. There also had been discussion by the provosts; and faculty, academic staff, and students also would all be involved going forward.

It is called a strategic framework, he explained, because of its system-wide nature and because it is intended to guide the UW System as a whole, along with all of its parts, and to provide a shared context for decision-making.

He then gave examples of two key issues for which such context would be needed: In the area of tuition and financial aid, a working group was making good progress and would develop a number of options, along with the pros and cons of each. Another such issue involved the role of the UW Colleges in relation to the rest of the UW System and the Technical College System. He planned to empanel a system-wide group to work on this matter.

As to the words “Advantage Wisconsin”, the President recalled three of the strategic planning principles offered at the May meeting:

- Outside-in;
- Lead from behind;
- It’s about all of Wisconsin, not just the UW System.

The intent would be to consider with others outside of the university how to use the UW to best advantage Wisconsin in the 21st century knowledge economy.

President Reilly noted that Wisconsinites could thank their ancestors for their willingness to invest in creating a first-class higher education system that spurred successful industries and strong communities. This symbiotic relationship between the state and university, he emphasized, will only become more important in the 21st century knowledge economy.

Stating that Wisconsin is at a crossroads, he explained that, in an increasingly competitive and knowledge-based global economy, the state’s future will be shaped by three interrelated factors:

- The talent of its people;

- The ability to create, attract, and retain high-paying jobs and dynamic companies;
- The attractiveness of Wisconsin communities to business and residents alike.

The problem, he pointed out, is that Wisconsin has gaps in all three dimensions.

- Wisconsin is below the national average in the percent of people with baccalaureate degrees, and the United States as a nation is not keeping pace with the growing investment of other nations in higher education. In that regard, Dennis Jones had advised the board that the United States is now the eighth most educated country in the world.
- While the UW System has a very strong research and development enterprise, Wisconsin is below the national average in venture capital and successful commercialization.
- While Wisconsin has many strong communities, the state's largest urban area faces significant social and economic challenges; and the state as a whole is not attracting young talent at levels needed to maintain a thriving economy. Wisconsin ranks near the bottom in attracting such workers.

The result is that relative income has not kept pace with the national average, which has created taxing capacity issues at the state level, competitive issues for businesses, and personal hardships for families. These hardships exist even though the state is highly employed, with more people in the job market than in almost any other state.

The answer, President Reilly said, is not to scale back vital educational systems because cost-cutting in education cannot lead to success in a knowledge economy.

Instead, he continued, the answer is evident in places around the state, including:

- The positive impact of UW-Madison on the capital region and statewide;
- The positive impact of the three campuses serving the I-94 corridor between the Chippewa Valley and the Twin Cities;
- The important role that UW-Milwaukee is playing in its metropolitan area;
- The lead role of UW-Green Bay and UW-Oshkosh in the New North and the Fox River Valley.

These and other UW assets, he stated, must be fully leveraged to advantage Wisconsin in the 21st century knowledge economy.

Showing a slide that provided a visual image of how the university's traditional missions of teaching, research, and public service translate into what needs to be done for the future of Wisconsin, President Reilly stated that:

- The UW is the premier developer of advanced human potential, working with partners to serve all residents who strive to stay current in a world where knowledge is changing rapidly;
- The UW System is a key catalyst for creating and retaining high paying jobs that employ its talented graduates and attract others from outside the state;
- The UW System is an invaluable asset, in a 21st century form of the Wisconsin Idea, to communities across the state in dealing with the pressing issues and challenges that they face.

President Reilly then turned to the Strategic Framework, which is intended to map the long-term route to the Advantage Wisconsin vision. In that regard, students must be prepared with the integrative learning skills, multi-cultural competencies and practical knowledge needed to succeed in their professional lives and contribute back to their communities.

In order to dramatically increase the UW System's positive impact on Wisconsin, he outlined the following goals:

- Significantly increase the number of graduates and educational opportunities for Wisconsin residents through such strategies as improving access, retention and graduation rates;
- Expand the university's research enterprise and link it more firmly to entrepreneurship and business development;
- Strengthen Wisconsin communities by increasing the university's service impact through active engagement, research and learning applied to the state's greatest challenges.

Three strategies to under-gird achievement of those goals are:

- Grow the UW's financial resources by broadening and diversifying sources of funds and further developing talented faculty and staff;
- Advance operational excellence, especially through enhanced flexibility that external and internal deregulation could provide;
- Create multiple new and stronger collaborations – fully leveraging the UW System, its increasingly robust cross-campus work and relationships with entities, including the PK-12 System, the Wisconsin Technical College System, and others.

As Dennis Jones advised, strategic planning is complex for public systems of higher education. On one hand, planning at the campus level is important for Wisconsin's regions, and a top-down planning model would not work in that environment. On the other, planning at the system level is needed to address statewide

public policy needs and big picture issues. The result should make the whole greater than the sum of its parts.

The Strategic Framework, President Reilly said, is designed to do just that and to fully leverage the multiple assets of the UW System for the good of Wisconsin's future.

In that regard, he noted that work over the last few years, including that done in *Charting a New Course for the UW System*, in the Growth Agenda, and in the board's and chancellors' retreats, has been instrumental in constructing the Strategic Framework to Advantage Wisconsin and being ready to carry it forward.

President Reilly then outlined next steps in the process. First, seven think tanks would delve deeper into each of the seven components of the Strategic Framework and surface their best ideas. This work would go on through December and include broad input from others in multiple ways, including an "Advantage Wisconsin" website, face-to-face communication sessions with business and community leaders, and, through UW-Extension, communication with citizens across the state.

The ideas formulated by the think tanks would be integrated into an enriched Strategic Framework, fleshed out with more specific goals and system-wide initiatives and strategies to achieve those goals.

The Strategic Framework then would create the overarching context for decision-making by the board, for creation of new campus initiatives and for resource deployment. More than a budget-development process, it is intended to provide an overarching focus across several biennia as it evolves and goals become more far-reaching. It also is intended to be a practical framework to guide development of institutional initiatives for the 2009-11 biennial budget cycle.

Concluding his presentation, President Reilly remarked that much progress already has been made through the Growth Agenda and that the Strategic Framework should keep the university's impact growing. It is hoped that the process will lead to a new understanding with the state and its leaders about what they expect from the university and what they are willing to invest to meet those expectations.

In discussion following the presentation, Regent Crain commented on the importance of the liberal arts to quality education and asked where that topic would fit in the Strategic Framework.

In reply, Senior Vice President Martin indicated that the university was participating in a national program to promote the liberal arts and that they are an important part of the component of the framework that deals with preparing students.

President Reilly added that several campuses were in the process of reviewing their general education requirements and would be in a position to take the lead in that area.

Regent Loftus commented that there are communication issues to address, as indicated by a lack of understanding on the part of some legislators and media about the rationale for the 5.5% tuition increase approved by the board. He also felt that language more forward-looking than "Advantage Wisconsin" would be preferable; and he

suggested that the structure of the UW System be examined, since it had been created long ago and under very different conditions.

President Reilly agreed that communication is a challenge that must be addressed on a continuing basis and indicated that, while he felt that the words “Advantage Wisconsin” were forward looking, other language also could be used. With regard to the structure of the UW System, he remarked that the system is very different than it was 30 years ago in terms of increasing collaborations, revenue sources, and other changes that have occurred over time. What is needed, he said, is for the system to be nimble enough to respond to future challenges.

Regent President Bradley noted that the 5.5% tuition increase was based on the budget approved by the bipartisan Joint Committee on Finance, assuming the traditional state contribution and funding for the Growth Agenda.

Regent Walsh suggested that there be participation in Strategic Framework discussions by such stakeholders as students, parents and others who fund increasing portions of the UW’s budget.

Regent Salas recalled that his support for the 5.5% tuition increase was based on the understanding that there were no alternative ways to fund pay plan increases and the Growth Agenda initiatives, both of which he supported.

With regard to the Strategic Framework process, he suggested inviting legislators and the Governor to participate from the start, as had been done in the Charting a New Course study.

Expressing her support for moving forward with an inclusive approach, Regent Davis urged that the issue of affordability and finding new resources for financial aid be made a high priority and be boldly addressed because of the significant impediment posed to student access by lack of adequate financial resources.

Noting that a working group currently is studying tuition and financial aid issues, President Reilly remarked that it will be an ongoing challenge to reconcile the need to educate 50-55% of the population with the fact of rising tuition costs.

Regent Rosenzweig commented that a strength of the Charting a New Course study was inclusion of legislators in the process. She felt that the current process also should include external players, particularly given the implications for jobs and economic growth in Wisconsin.

Regent Burmaster noted that the Wisconsin Covenant would fit into the Strategic Framework as a part of the enabling strategies.

President Reilly concurred, adding that, with a flat demographic trend, what is needed is to educate a broader, deeper cut of the student population, which is what the Covenant is designed to do, as well as to educate more adult students.

Expressing support for the Strategic Framework, Regent Cuene remarked that flexibility in educational offerings is a key to educating more students. In that regard, she found students to be especially interested in online courses, as well as evening and weekend courses.

Regent Pruitt observed that innovative outreach to businesses and legislators will be important. In order to give everyone a stake in the process, he indicated that both building coalitions and hearing from people would be helpful. In order to educate more students, he remarked, it would be necessary to hear from them about what is holding them back and then expand the university's reach accordingly.

Expressing agreement, President Reilly indicated that the Know How 2 Go campaign uses technology to reach students and that other new strategies are needed as well.

Regent Loftus felt that one source of confusion regarding the board's approved tuition rate was that the university used as a basis the budget approved by the Joint Committee on Finance, while other state agencies simply went forward on the basis of their current budgets. While he agreed that much about the UW System has changed over the years, he asked if Chapter 36 of the statutes still provides the most appropriate framework for the university.

Regent President Bradley began his remarks by indicating that the purpose of this discussion was to surface some of the best ideas on how to convene a statewide conversation regarding what Wisconsin can do to prosper in the 21st century economy.

As examples of what has been done in other places, he related that in Ireland, labor, parliament, the government and higher education all agreed on concessions needed to move forward; and, as a result, the economy has become the second most prosperous in Europe. Finland found a new approach for an economy that traditionally had been based on natural resources. Ohio decided to freeze tuition, while the state provided money to accomplish goals, with higher education held accountable for achieving them.

Noting that different states have used different approaches, he said that, in some states, the Governor has convened a public discussion, while in others the business community has taken leadership. In still others, higher education has led the discussion, although he noted that it would seem beneficial that leadership come from a broader source, so that there would not be the perception that the discussion was propelled by self-interest.

He recommended two reports from national organizations regarding how to move forward. The Report of the Blue Ribbon Commission of the National Association of State Legislatures found that higher education is essential to economic prosperity and that, while higher education had been part of the problem, so too were legislatures. The report concluded that, in order for the states to move forward, legislatures and higher education entities need to work together.

Innovation America, by the National Association of Governors, reported that, in order to prosper, states need to innovate to be competitive with other states and nations and that states need to determine how to differentiate themselves and how to have a regional focus.

Observing that both reports recommend something very like the Growth Agenda for Wisconsin, Regent President Bradley remarked that President Reilly had been "spot on" in bringing forward that initiative.

Taking into account Wisconsin's businesses, economy, stakeholders, political atmosphere and culture, he inquired as to which leaders or groups need to be involved in launching the discussion in this state.

Regent Loftus commented that the brilliance of the Growth Agenda was its basis in the budget. In order to get people involved, he felt that the framework would have to direct dollars and, if that were the case, higher education could lead the discussion.

Regent Burmaster suggested bringing together by region PK-16, business and economic development leaders. Noting that the state's assets differ by region, she remarked that there are the beginnings of regional solutions in initiatives like the New North. She suggested that the PK-16 Leadership Council, which includes many of the key players, would be an effective vehicle to launch the statewide discussion, adding that chancellors also were developing regional PK-16 councils. She thought the charge for the group could come through agreement among the UW System President, the State Superintendent of Public Instruction, the President of the Wisconsin Technical College System, the President of the Wisconsin Association of Independent Colleges and Universities and representation from elected leaders of both parties.

Regent Davis urged that all voices be represented, including those of parents. This would both have a positive influence on legislators and be a means of educating parents about the issues.

Regent Crain suggested that agencies which work with children and families also be involved, since much of what happens in children's development takes place before they get to school.

Regent Rosenzweig agreed that the PK-16 Council, expanded to include more players, would be an appropriate vehicle since its charge is expansive and the timeline for developing the Strategic Framework is short.

Regent Burmaster added that parents are involved in the council, through the presidents of Parent-Teacher Associations.

In response to a question by Regent Loftus, Regent President Bradley noted that it is the statutory responsibility of the Board of Regents to determine the needs for higher education in Wisconsin. Regent Loftus felt that, if the board did not itself lead the process, it should decide what group would be appropriate to do so.

Regent Spector thought that it would be preferable for a new group to be formed to provide leadership. It would be difficult, he commented, for the board to lead without involvement by the Legislature and Governor, who control financial resources. He felt that they need to be convinced that the state is losing ground and that a blueprint lasting for multiple biennia is needed to move the state forward in the public interest.

Noting that the Governor formed an Economic Growth Council several years previously, Regent Burmaster said that the board could ask that the council be revived and given this new charge.

Regent President Bradley remarked that the Governor and Legislature had provided leadership in Nebraska's economic development efforts, which necessarily involved the role of higher education and the K-12 system.

Regent Salas commented that the Strategic Framework should add value to the strategic plans of the campuses, which already are involved in economic growth collaborations.

Regent Walsh remarked that it would be helpful to know best practices in other states. Noting that Wisconsin's tradition has included such prominent and successful collaborations as the Kellett Commission and the Merger Implementation Commission, he urged that the all parties be involved in becoming part of the solution. He suggested that a group such as Wisconsin Manufacturers and Commerce might be asked for resources to support the effort, and he agreed with Regent Loftus that the outcome needs to involve dollars and economic growth.

Regent Loftus inquired about chancellors' support of the Strategic Framework, and President Reilly replied that they had been involved in developing the proposed outlines for the framework.

Chancellor Wells indicated that, in developing the New North and New ERA groups in his region, all players had been at the table. He stated that there should be a sense of urgency in the effort because Wisconsin was losing ground and this work would be instrumental in re-establishing its advantage for the future.

Executive Senior Vice President Mash began his presentation by explaining that development of initiatives in each area of the Strategic Framework would be addressed by a think tank team, involving eight to ten of the best thinkers on that topic that could be assembled. The teams would communicate with each other as the process evolved, and a leadership group consisting of President Reilly, the chancellors, and the President's cabinet would oversee the work of the think tanks.

Noting the importance of extending the reach of the work beyond the teams themselves, he said that such efforts would include discussions with business leaders, a website set up to provide information and obtain input, and outreach organized by UW-Extension in each county. Provosts, campus business officers, and faculty, staff and student governance groups would be engaged as well; and the chancellors would discuss progress every month at their meetings. It also would be important to involve such groups as the Wisconsin Technology Council and Competitive Wisconsin.

Between this meeting and February, each of the seven areas of the Strategic Framework would be fleshed out with the most compelling initiatives that could be developed. Individual institutions then would add initiatives from their own strategic plans, which would serve as a basis for future budget development.

The Strategic Framework then could serve as a five-year plan, with upgrades after two years. At that point, it would become a widely recognized blueprint for developing a broader understanding of how to add value to Wisconsin's future.

Dr. Mash concluded his remarks by indicating that updates would be provided to the board on a monthly basis.

In discussion following the presentation, Regent Davis urged that a high priority be given to the crisis in affordability in the charge to the Resources Think Tank.

In response to a question by Regent Rosenzweig, Dr. Mash indicated that formation of the think tanks would begin the following week and that any additional recommendations would be added to existing lists of potential members. The think tanks would report to President Reilly and his leadership group, including the chancellors. The results then would be shared with the board.

Regent Bartell asked how the think tanks would coordinate with each other, and Dr. Mash replied that coordination would be done through the leadership group and through the way in which the think tanks would be staffed. The website also would be used to pull the work of all groups together.

Regent Connolly-Keesler asked if there would be regional representation on the think tanks, cautioning that they should not be overly weighted toward any one region since all regions are different. Dr. Mash responded that attention would be given to regional representation.

Regent Loftus questioned whether “think tanks” would be the best way to characterize these groups and noted that campuses housed existing think tanks, like the La Follette School at UW-Madison. He asked how such campus-based groups would fit into the process.

In reply, President Reilly indicated that expertise on the campuses and elsewhere would be tapped with regard to specific topics. Noting that recommendations would come from him to the board, he reported that he had asked the Tuition and Financial Aid Working Group to provide him with the pros and cons of each of a number of options.

Regent President Bradley remarked that the UW would be part of any statewide discussion that is convened. Even if such a discussion were not convened, he added, the Strategic Framework process would need to be conducted in order to move forward.

Regent Thomas observed that the broad topic of preparing students seemed too wide a range of issues for one think tank. It was indicated by President Reilly that other teams also would focus on aspects of the student experience, and Dr. Mash added that much regarding preparation of students would be addressed through individual campus strategic plans.

In reply to a further question by Regent Thomas, Dr. Mash indicated that the Strategic Framework would not address specific curricular recommendations since such matters are better handled at the campus level.

Regent Rosenzweig suggested that think tank ideas could be vetted through existing regional groups and be brought to the board after that external input had been obtained.

Indicating that there would be a number of opportunities along the way to bring fresh ideas into the process, President Reilly noted that Regent Spector had suggested a steering committee that could draw in outside leadership, parents, alumni and others.

After conclusion of the discussion, President Reilly thanked all involved for their work on the Strategic Framework and noted that a progress report would be presented in October.

Upon motion by Regent Crain, seconded by Regent Cuene, the meeting was adjourned at 12:30 p.m.

Submitted by:

Judith A. Temby, Secretary

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