

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, March 6, 2008
10:00 a.m.

- President Bradley presiding -

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

UNABLE TO ATTEND: None

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Welcome to Regent José Vásquez

Regent President Bradley welcomed Regent José Vásquez, who had been appointed to the Board of Regents by Governor Doyle to succeed Regent Emeritus Jesus Salas.

Regent Vásquez, who is CEO of Felician Sponsored Ministries, in Milwaukee, also has worked for UW-Extension as southeast district director and director of urban relations.

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Tribute to Regent Emeritus Milton McPike

Regent President Bradley reported that Regent McPike had sent a letter to Governor Doyle earlier in the week, tendering his resignation from the Board for reasons of health. In that letter, he spoke of his respect and admiration for his Regent colleagues, President Reilly and his staff, the chancellors, faculty and campus staff.

While Regent Emeritus McPike could not attend the meeting, Regent President Bradley said, the Regents were honored that his wife, Sharon, could join the Board for a well-deserved tribute to him and all that he had accomplished in his inspiring career devoted to educational and community leadership.

Regent Burmaster, State Superintendent of Public Instruction, made the following statement of tribute to Regent Emeritus McPike:

“My friend and long-time colleague, Milt McPike has been a champion and leader for public education in Wisconsin, as a Regent for almost four years and for 28 years in the Madison Metropolitan School District. Thousands of Wisconsin citizens owe a debt of gratitude to Milt McPike. I know I do. As my principal at Madison East High School when I was a 20-something choral teacher and drama director, Milt was a mentor and supportive leader for creativity and the arts. I did my administrative internship with Milt, and later we were colleagues as principals of Madison’s two oldest and largest high schools.

“Milt served as principal of Madison East High School for 23 years from 1979 to 2002. His leadership reached across a racial divide and brought young people and their parents together in transforming the school culture. Through his personal example, thousands of students learned to overcome their fears around race, class, gender, and disability by having an open heart and a loving soul.

“Milt has been called a lot of things: a San Francisco 49’er, coach, husband, father, and grandfather. He was named State Principal of the Year by his peers, won the Educator of the Year award from Wisconsin Manufacturers and Commerce, and was named one of 10 ‘American Heroes in Education’ by *Reader’s Digest* in 1990. The East High School field house is named in his honor, and the Milt McPike Achievement Awards annually provide a college scholarship and recognition of Madison graduating seniors with a strong academic record, athletic performance, involvement in other school activities, and a positive attitude. For this giant of a man, no person or issue has been too small.”

A video was shown of a 1992 television news story, which focused on Principal McPike’s commitment to helping at-risk students achieve success.

Regent Burmaster then presented the following resolution of appreciation which was adopted by acclamation with a standing ovation in honor of Regent Emeritus McPike.

A plaque containing the resolution was presented to Mrs. McPike by Regent Burmaster, and President Reilly presented her with a UW System Medallion.

Resolution of Appreciation: Milton McPike

Resolution 9445: WHEREAS, Milt McPike dedicated four years in service to the University of Wisconsin System Board of Regents, from 2004 to 2008; and

WHEREAS, Milt's tireless commitment to students and schools is evident in his lifelong efforts to broaden educational access, encourage parental involvement, boost students' academic success, and confront the challenges faced by students of color; and

WHEREAS, through more than two decades of service as the principal of Madison's East High School, Milt inspired generations of students to enrich their lives through education and led the school to achieve national recognition as a Presidential School of Excellence; and

WHEREAS, his charismatic leadership earned Milt recognition as a *Reader's Digest* American Hero in Education, the NAACP's Unsung Hero, and *Madison Magazine's* Man of the Year, among many other honors; and

WHEREAS, people of all ages have benefited from Milt's work as a community builder, including his involvement with the Wisconsin Juvenile Justice Department, the Dane County Youth Commission, and many other service organizations and foundations; and

WHEREAS, Milt served admirably as vice chair of the Physical Planning and Funding Committee, helping to ensure that 170,000 UW System students benefit from facilities that provide effective, safe learning and living environments; and

WHEREAS, through service on two UW chancellor selection committees, Milt helped to identify talented leaders to lead our institutions to even greater future success;

BE IT THEREFORE RESOLVED that the Board of Regents of the University of Wisconsin System hereby offer thanks and commendation to Milt McPike for his many life achievements and for his service as a member of this Board.

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Approval of the Minutes of the February 7 and 8, 2008 Meetings

Upon motion by Regent Smith, seconded by Regent Shields, the minutes of the February 7 and 8, 2008 meetings were approved as distributed, incorporating a correction that was provided.

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DISCUSSION OF THE ROLE OF THE UW COLLEGES

Regent President Bradley noted that this was the first of two meetings in 2008 to focus on in-depth discussion of big picture issues, without the need to make any immediate decisions.

In opening remarks, President Reilly said the purpose of this meeting was to have a high-level, informed policy discussion on two important matters: the role of the UW Colleges and the Report of the Tuition and Financial Working Group. He viewed this discussion as a continuation of the Advantage Wisconsin strategic planning process that included seven core strategies in the Strategic Framework, each with its own think tank, and the resulting 10 initial Growth Agenda action steps presented at the February meeting.

Reporting that implementation of those steps already has begun, he said that UW provosts and chief business officers are working on them and best practices are being identified. In addition, the action step to extend the UW-Madison Connections Program to UW-Green Bay is moving forward. Indicating that he would report on these steps again at the April meeting, he also planned to consult with Regent President Bradley about involving Regents in the implementation process.

The reports on the Role of the UW Colleges and the Tuition and Financial Aid Working Group, President Reilly explained, are different from other such reports in that, instead of making recommendations, they presented policy options and considerations, along with pros and cons for each of the options. It was felt that this format would best support the kind of broad-ranging policy discussion that was intended for this meeting. It also was hoped that the reports would aid in more fully understanding the context for decision-making in these two vital areas and relationship to overall goals so that future actions could be taken in that context, rather than on a disconnected, ad hoc basis.

President Reilly thanked all the colleagues who worked on the reports, including Regent Crain and Regent Falbo, who served on the Tuition and Financial Aid Working Group, Vice President Durcan and Associate Vice Presidents Harris, Singer and Wilhelm for their leadership.

It was President Reilly's intention, after hearing the discussion at this meeting, to return to the Board in April with some recommendations on how to move forward.

Whatever actions are eventually taken, he emphasized, should advance one or more goals of the Growth Agenda for Wisconsin: To produce more high-quality

graduates; to attract more college-educated people to Wisconsin; and to grow high-paying jobs that will employ both.

Introducing the discussion on the role of the UW Colleges, Senior Vice President Rebecca Martin recalled that, when the Board was asked about a year ago to consider a proposal for an associate degree in the liberal arts at one of the Wisconsin Technical Colleges, many inquired about the impact on the UW Colleges. At about the same time, Chancellor Wilson formed a commission to consider the future of the Colleges.

From the report of that group, he selected five recommendations for further consideration and formed task forces to explore them. President Reilly then formed a system-wide committee to consider the policy implications of these areas from a state-wide perspective.

Of the five recommendations, two were under serious consideration at this time. Chancellor Wilson would share his perspective on them, after which Associate Vice President Singer would outline considerations identified by the system-wide committee.

Observing that there are two ways to look at the proposals from the UW Colleges, particularly one for limited baccalaureate degree authority, Senior Vice President Martin said that they could be viewed as a major change in the mission of the UW Colleges or as a natural extension of their mission.

Clearly, she remarked, the UW Colleges play an essential role in providing access and affordability to students. They have special relationships with Wisconsin communities and can contribute to the Growth Agenda for Wisconsin in important ways.

One potential contribution, she noted, might be a New Pathway degree. In that regard, suggested that the following questions be asked:

- Is this the right approach?
- Is this a role for the UW Colleges?
- Can need be demonstrated?
- How would the degree fit into the array of existing degree opportunities?

Chancellor Wilson began his presentation on UW Colleges' strategies to advance the Growth Agenda by noting that the Colleges are one institution in 13 locations, with a mission to provide freshman/sophomore liberal arts education in an accessible, affordable, and efficient manner.

The UW Colleges enrolled about 13,000 students in fall 2007, with 8,000 of those students being freshmen – the third largest freshman class in the UW System. 98% of UW College students are commuters, and there are two residential facilities that house about 250 students. More than 60% of students work more than 20 hours per week and more than 30% work more than 30 hours. Many of these students are adults with families, a large number of whom are first-generation college students.

Over half of UW College students receive financial aid; 33% are returning adults, 22 years of age and older; and approximately 1/3 could not gain access elsewhere in the UW System and came to the UW Colleges as an open admission institution.

What the Colleges do particularly well, the Chancellor indicated, is to:

- Provide access to the UW in local communities.
- Prepare students well for baccalaureate-level success. UW College students have the highest graduation rate – 80% – of any transfer students.
- Expose students to high-quality instruction. Eighty percent of UW College faculty have terminal degrees, many from the best institutions. The average class size of 23 is small enough to afford individual attention so that any academic deficiencies can be corrected.

Noting that the UW Colleges are leaders in innovation, Chancellor Wilson indicated that examples include collaborative bachelor's degree programs and a curriculum that is completely online, in response to market demand.

The Blue-Ribbon Commission on Enhancing the Mission of the UW Colleges, co-chaired by Regent Emeritus Roger Axtell and Business Leader John Torinus, considered the following questions:

- How can the Colleges better serve the needs of adult, place-bound students in their local communities and the state?
- How can they capitalize on their uniqueness?
- Should the Colleges be approved to offer selected baccalaureate degrees?

Task forces were established to examine the 20 recommendations made by the Commission. Out of that process, the following two major recommendations emerged as ones that should be pursued at this time:

- Ease geographic access to higher education for place-bound traditional and non-traditional students. Enhance opportunities across Wisconsin so residents can gain access to higher education wherever they live, with new outreach efforts in northern Wisconsin being a top priority.
- The UW Colleges should be granted restricted baccalaureate degree-granting authority.

With regard to the Northern Wisconsin Initiative, Chancellor Wilson pointed out that research in 17 northern counties, containing seven percent of the state's population, shows that 11% live in poverty and that bachelor's degree attainment is the lowest in the state – 14% compared to 25% for the state as a whole. A sizeable portion of those with some college education would like to return for associate and bachelor's degrees if it were convenient and affordable.

Three studies, a survey, and focus groups in eight counties identified particular need in seven locations: Ashland, Eagle River, Florence, Crandon, Merrill, Amery, and Ladysmith.

Existing buildings would be used to deliver programs. No new campus or facilities would be constructed. Program delivery would be nimble and would respond creatively to meet needs, in collaboration with partners such as Nicolet Technical College and UW-Superior. The plan would be to provide degree completion opportunities without duplicating what already is available.

Turning to the proposal for a restricted Bachelor's of Applied Arts and Sciences, Chancellor Wilson referred to a map showing an abundance of people with only an associate degree in areas in which Technical Colleges and UW Colleges are located.

To catch up to top-performing countries in baccalaureate attainment (41%) by 2025, Wisconsin would need to produce 1.2 million bachelor's degree holders, or 10,000 more per year, over the next 17 years. The proposed degree would contribute to that goal.

The Bachelor of Applied Arts and Sciences (BAAS) would focus on what employers say that their workforce needs:

- Critical and creative thinking, quantitative reasoning, and communication skills, including information literacy, problem solving, and ability to work effectively in teams.
- Global perspectives, including ability to view problems from multiple perspectives, awareness of and sensitivity to diversity issues and problems, knowledge of a world language and culture, experience gained in travel and study abroad.
- Application of knowledge to real-world experience, including credit for prior learning, internships and service learning, in collaboration with UW-Extension, and a six to eight credit capstone course in which students would apply what they learned to a practical problem in the local area.

What the UW Colleges are seeking, Chancellor Wilson said in summary, is restricted baccalaureate authority to offer only one bachelor's degree – the Bachelor of Applied Arts and Sciences (BAAS). In that regard, he noted that the degree is not an upside-down degree, is not a discipline-specific degree, is not duplicative of specific bachelor's degrees offered by four-year UW institutions, and that the UW Colleges does not intend to become a comprehensive institution.

A mission change is proposed to reflect restricted baccalaureate authority to offer the one BAAS degree. That new mission would retain the two-year transfer mission and retain the commitment to the liberal arts foundation.

The chancellor then enumerated the following reasons that the UW Colleges are uniquely poised to offer the BAAS.

1. Statewide presence in every county (UW Colleges and UW-Extension)
2. Faculty with terminal degrees, well qualified to deliver upper-division courses
3. Extensive experience serving non-traditional, adult students
4. Extensive experience in online and other distance program delivery
5. Already providing educational opportunities to people where they live
6. Experience in tackling local issues

Chancellor Wilson concluded his remarks by indicating that the proposed BAAS Degree has generated a great deal of support and excitement, having been endorsed by UW Colleges faculty and senate, employers statewide, deans, county executives, elected officials, non-traditional adult students, economic development councils, boards of visitors and state association directors.

Associate Vice President Ron Singer noted that, in October 2007, President Reilly charged the UW Colleges Committee to take a system-wide look at five strategies being considered by the UW Colleges task forces. The committee consisted of representatives from the UW Colleges, UW-Extension, other UW institutions, and UW System Administration.

The role of the committee was neither to respond to specific proposals nor to make recommendations; rather, it was to outline the pros and cons of the five strategies in the context of the Growth Agenda and the Advantage Wisconsin Strategic Framework.

With regard to the Northern Wisconsin Initiative, the committee concluded that the following considerations should be addressed:

- Target audience(s) – what is the unmet need to be served?
- Consideration of other UW institutions, including what impact implementation of the strategy would have on other UW institutions and the students they serve; whether it would enhance transfers and/or shift students; and what collaboration opportunities might exist.
- Wisconsin Technical Colleges and Private institutions: What role are they playing in serving students in this region?
- Political considerations: What other areas of the state may have similar needs and how are those needs to be balanced and prioritized?
- Impact on economic and workforce development: How would the educational opportunities afforded by this expanded presence impact the areas' economic and workforce development? Would a regional need for more highly educated citizens be served?

With regard to restricted baccalaureate degree authority, the committee identified the following considerations to be addressed:

- Target audience: Who would be served, demand and need, potential duplication, costs, and delivery methods
- Collaboration opportunities: What opportunities exist to fill demonstrated need through collaboration?
- Fit with other initiatives, such as the Northern Wisconsin Initiative, and impact of offering the baccalaureate degree on other UW institutions in the area.
- Fit and impact on the UW colleges' mission and that of other UW institutions
- Impact on UW Colleges and UW System resources
- Potential to serve Wisconsin Technical College students through bachelors degree completion
- Impact on transfers from the UW Colleges to other UW institutions

In conclusion, Dr. Singer emphasized that the context for the committee's report was consideration of strategies in terms of contributions to the Growth Agenda and to serve students not currently being served by leveraging resources and strengths of the UW System. He thanked the committee members for their time and hard work in what was a constructive, respectful process.

In discussion following the presentation, Senior Vice President Martin replied to a question by Regent Rosenzweig by explaining that the term "restricted" applies to the degree and not the audience, although there would be a target audience.

Regent Rosenzweig asked if Technical College students would be part of the target audience, and Chancellor Wilson replied that the target audience would be place-bound adults, including those in the Colleges, those in the communities, and those coming from the Technical Colleges. The focus would not be on traditional students, for whom the Colleges would retain their transfer mission.

Regent Smith inquired about the considerations in the committee report regarding cost, number of students and impact on the comprehensive universities.

Chancellor Wilson explained that analysis of those factors would take place if the UW Colleges were given the "green light" to develop a proposal. As to number of students, he thought that 250-400 might find the program an attractive option. He did not believe that major costs would be involved, since faculty already were in place.

Regent Crain inquired as to the content of the degree and whether it would be viewed as an extension of the current mission or a new direction.

Replying that he would see the program as an extension of the current mission, Chancellor Wilson noted that the Colleges have been serving this population for many years. The program would respond to an unmet need that, given the location of the Colleges, they would be in the best position to address.

While the specific content of the degree had not been determined, major components would involve development of critical thinking, global perspectives, and application of knowledge to real-world problems in local communities.

Noting that the UW Colleges have long collaborated with four-year institutions in offering degrees, Regent Connolly-Keesler asked why this situation is different and why not offer a UW System degree.

Chancellor Wilson replied that collaborations with the comprehensive universities would continue, especially in connection with online courses. The Colleges are strategically placed to offer the proposed degree with high quality instruction in small groups. While one collaborative model placed UW-Platteville engineering faculty on the UW-Fox Valley campus, the proposed model would have faculty already in place.

Regent Connolly-Keesler asked what would happen if more students than anticipated decided to stay at the Colleges for the BAAS Degree instead of transferring to a four-year university.

While there would be space available at the Colleges if some decided to stay, Chancellor Wilson replied, he thought the program would be less attractive to traditional students than the transfer option.

Regent Cuene noted that there have been discussions among Nicolet Technical College, UW-Green Bay, and UW-Superior about collaborating on a four-year degree. She asked if the chancellors have been involved in commenting on the UW Colleges' proposal.

President Reilly explained that, while there have been some discussions, this is a preliminary step before the normal program development process, during which there would be ample opportunity for all campuses to comment.

In response to a further question by Regent Cuene, Chancellor Wilson indicated that enrollment in the UW Colleges' online degree program has grown to 1,200 students and is accessible at any location.

Regent Cuene said that she would oppose offering of a BAAS degree north of Highway 8 because of existing capacity and online capability at Nicolet Technical College.

Regent Vásquez asked if the BAAS degree would be offered statewide, to which Chancellor Wilson replied that it would be offered on the 13 UW College campuses, which would be close to statewide.

In response to a question by Regent Vásquez as to the definition of place-bound students, Chancellor Wilson said they generally would be students working 30 and more hours a week, with families, who want a degree but could not afford to drive a distance to do the necessary coursework on a four-year campus. The proposed degree would target those who do not have other options.

Senior Vice President Martin added that more work needs to be done to identify where needs exist and where there are gaps in service.

Replying to a question by Regent Vásquez as to the meaning of an applied degree, Chancellor Wilson explained that it is not a degree in a technical or vocational field. Rather, it is intended to teach application of liberal arts skills to real-world problems.

Senior Vice President Martin noted that Bachelor of Applied Science Degrees, offered by UW-Green Bay and UW-Oshkosh, are degree completion programs for those with associate degrees from the Technical Colleges.

Regent Walsh commented that he viewed the UW Colleges proposals as creative ideas for meeting the challenge of increased access for non-traditional, place-bound, working students. The result of better serving those potential students would be to increase per-capita income and boost the state's economy. He asked what arguments could be made against the ideas.

Chancellor Wilson replied that opposition could be expected if the plan was to make the Colleges into four-year institutions or if county boards were asked to make additional investments. Since neither of these are true, the proposals would be a "win-win" and would benefit the Growth Agenda and Wisconsin's economy.

Regent Shields, speaking from his experience as a non-traditional student from the North, remarked that adult students in that area want degrees but families and jobs interfere with their ability to obtain them. High school graduates in much of the North, he said, have the choice of going down-state for an education or finding a job. Noting that there is vast room for growth in serving adult students in that area, he stated his support for the innovative initiatives proposed by the UW Colleges.

Regent Thomas inquired about what careers the proposed degree would prepare students to enter and what kind of job markets would exist for them.

Chancellor Wilson replied that the degree would be designed with employer needs in mind. They have said that their employees want such degrees, which would enable them to move into management roles. While the degree would not be designed for a national market, it would give students the skills needed to enter graduate school, if they wished.

Regent Thomas asked how business contributions would impact a liberal arts degree.

In response, Senior Vice President Martin indicated that discussions with employers are taking place as part of the Liberal Education and America's Promise program and that employers support the liberal arts component of degree programs.

Regent Davis expressed her support for bringing these ideas to the Board for input before they are thoroughly vetted. She approved of the kind of "thinking outside the box" that they represent and thought it healthy to discuss their pros and cons early in the process.

In response to a question by Regent Davis about the credit for prior learning, President Reilly noted that this also had been suggested as one of the ten action steps he brought forward at the last meeting and that the provosts had begun work on it. There is not currently a robust means of assessing credit for prior learning, he said, remarking that

this needs to be done in order to effectively serve more students and prevent them from having to take unnecessary entry-level courses in subject matter they already know.

Regent Burmaster asked if the BAAS degree program would be offered at a lower level of tuition than other bachelor's degrees.

Replying that this matter is under discussion, Chancellor Wilson said preliminary thinking is that junior and senior level courses might be priced differently than lower-level courses. He thought pricing should be aligned with the comprehensive universities, which would be in accord with the current practice of students paying comprehensive university tuition for programs offered by those institutions at College campuses.

Expressing her concern about the proposed initiatives, Regent Burmaster noted that UW-Parkside, UW-Superior and Nicolet Technical College have room for more students and cautioned that the proposed BAAS degree might duplicate and compete with what is already available. While it is necessary to increase the educational level of the state's population, she was not sure the proposed initiatives would be the best way to contribute to that goal. To serve the North, she thought better use might be made of capacity at UW-Superior, Nicolet Technical College and Indianhead Technical College, along with existing capability to expand online offerings. She urged that all higher educational opportunities be considered from a state-wide perspective and from a PK-16 perspective; and she expressed concern about possible impacts on the comprehensive universities.

Regent Bartell remarked that he was excited about the proposed initiatives and their potential to advance the Growth Agenda. He therefore supported moving them forward to address the issues that had been identified.

In response to a question by Regent Bartell, Senior Vice President Martin explained that an "upside down" degree is one in which students receive two years of technical education at WTCS institutions and then two years of liberal arts education at a UW institution.

Regent Bartell asked if the UW Colleges would go forward with the Northern Wisconsin Initiative without the BAAS degree.

Replying that he would explore that possibility, Chancellor Wilson said that he was having discussions with the President of Nicolet Technical College to see if a "win-win" situation could be created whereby Nicolet would offer the associate degree and the UW Colleges would provide the BAAS degree.

Regent Spector commented that the proposed initiatives would expand access and that the questions that were raised should be pursued. He was concerned, however, about matters of mission and how those matters should be decided with the UW Colleges, the Technical Colleges and the UW Comprehensive Universities all wanting to do more in an environment of limited resources.

In response to a question by Regent Pruitt regarding the UW Colleges recommendation that related to working with Milwaukee Public Schools, Chancellor Santiago indicated that he and Chancellor Wilson had discussed the matter. UW-Milwaukee, he noted, is proud of the success of its remedial programs and there also is a program through which students admitted to UW-Milwaukee go to Milwaukee Area

Technical College to remedy deficiencies. He would be happy to explore a collaboration with the UW Colleges to serve adult learners.

Chancellor Wilson added that the intention is not to duplicate programs that are working well, but rather to focus on adults who are underserved. He would continue to work with Milwaukee Area Technical College and UW-Milwaukee to find ways to meet the many needs in the City of Milwaukee.

Given the complexities of the issues involved, Regent Rosenzweig cautioned against returning this matter to the Board as soon as April, noting that most of the discussion had focused on the BAAS degree, and not the Northern Wisconsin Initiative. She felt that a pivotal point had been reached for building collaborations, rather than competition, and that time needs to be taken to explore ways of creating new partnerships. For those reasons, she gave the proposals a “yellow light”.

Chancellor Shepard added that chancellors have both political and academic concerns about the proposals.

President Reilly said that the test should be whether the proposals would contribute to the Growth Agenda and whether there is a student need that they would address most effectively. Needs of institutions, he noted, cannot be the primary focus. The Chippewa Valley Technical College proposal having resulted in a collaborative model, he expressed the hope that these proposals would be explored in a similar manner.

Regent Burmaster asked that Regents be provided with a list of collaborations that currently exist.

The discussion concluded and the meeting was recessed at 12:35 p.m. The meeting reconvened at 1:00 p.m.

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REPORT OF THE TUITION AND FINANCIAL AID WORKING GROUP

In opening remarks, Executive Senior Vice President Donald Mash noted that it is the purpose of public higher education to promote the public good; that Wisconsin needs more college graduates to move forward; and that the Growth Agenda had been proposed to meet that need.

Citing financial capacity as a factor in the effort to educate more students, he pointed out that tuition has become an increasingly large part of that capacity and now comprises 45% of the budget. Because the level of tuition is related to student access, the discussion is very much about both tuition and financial aid. Wisconsin, he noted, is considered both a low tuition and low aid state.

Referring to previous discussion of tuition options, he recalled that the Board had conducted such reviews in 2001 and again in 2004, as part of its *Charting a New Course* study. Outcomes included a strong effort to increase need-based financial aid and to

provide flexibility to use different approaches. For example, tuition at the UW Colleges had been frozen, and nonresident tuition had been reduced in order to get back in the market and increase revenues. A higher level of tuition was approved for UW-La Crosse, and UW-Stout piloted a per-credit tuition model.

In conclusion, he remarked that a review at this point is timely in order to best use this component of financial capacity to advance the Growth Agenda for Wisconsin.

Beginning presentation of the report, Vice President Debbie Durcan indicated that the Tuition and Financial Aid Working Group was composed of members from all UW institutions, representing diverse views and perspectives. Regents Judy Crain and Mike Falbo also served on the group.

The principles were that tuition must be consistent with the Growth Agenda goal of increasing the numbers of degree holders; must provide affordable access; must generate sufficient revenues to improve student success; must be understandable and easy to implement; must recognize political realities; and must respect the diverse needs and missions of UW institutions.

These principals, she pointed out, are tied directly to the goal of the Growth Agenda to increase the number of degree holders for the Wisconsin workforce.

As to process, she indicated that the principles were revisited at each meeting; pros and cons were developed for each option; options utilized elsewhere were sought; and each option was assessed against the principles.

While GPR support has grown significantly over the years, Vice President Durcan pointed out, the amount received in each of the last four years is less in real dollars than the amounts received in either 2001-02 or 2002-03.

When GPR support is challenged and tuition increases, she said, access to low and moderate income students must be assured.

Addressing the issue of financial aid, Interim Associate Vice President Sharon Wilhelm said that the working group discussed the decreasing proportion of low-income undergraduates in the UW System and the need to increase their access. Using the percentage of undergraduate students who receive Pell grants as a measure, 21% of UW undergraduates are low-income, compared to 31% nationally at public four-year institutions. While the national trend has seen increases in the proportion of enrolled low-income students, the UW System has seen the opposite. Over the last ten years, the proportion of low-income UW undergraduates has decreased from 26% to 21%.

In addition, a growing number of students are financing their education with loans. Last year, UW students borrowed \$626 million, an amount that has doubled in the last 10 years. The average student debt upon graduation is now over \$21,000.

Noting that affordability is key to the goal of graduating more students, Ms. Wilhelm explained that one option discussed by the working group was to use tuition to fund financial aid. This approach would tie tuition to students' ability to pay, with

students who could afford it paying a higher percentage of their education costs, and a portion of those revenues being used to provide financial aid for those who could not afford to pay.

Disadvantages of this approach would be that responsibility for financial aid could be shifted from GPR-funded programs, such as WHEG grants, toward reliance on tuition-funded programs. Higher tuition could create “sticker shock” for lower and middle income students, and students might be discouraged from applying because of uncertainty about whether they would qualify for additional financial aid. Finally, this approach would represent a shift toward a private university model at a public institution.

As to programs that increase affordability, she pointed to this year’s raise in the WHEG program from \$43 million to \$50 million, resulting in a maximum grant award increase of \$130 for this academic year.

In addition, the Wisconsin Covenant Scholars program will help meet financial needs of students who complete that program’s requirements. Noting that the first group of Covenant Scholars will enter higher education in 2012, the working group discussed the need to expand opportunity prior to that year and, therefore, asked the Board to endorse a bridge program to assist needy students by holding them harmless against tuition increases.

The working group also discussed the benefits of an overall framework of principles for financial aid as tuition options are being considered. This, Ms. Wilhelm recalled, is consistent with what the Board heard several years ago in a presentation from Joni Finney, an expert in this area from the National Center for Public Policy and Higher Education, who spoke about the importance of ensuring that college attendance remains affordable to students from all socio-economic groups and suggested that the UW System should have a set of financial aid policy principles to complement tuition policies.

The working group approved a statement of support for a set of principles as follows:

- Socio-economic diversity enhances the learning environment for all students and bolsters state economic growth.
- Student recruitment, retention, and degree completion is most successful when financial barriers are eliminated. High unmet financial need undermines the expectation and plans of both low and moderate-income students. Student loan debt should remain reasonable so that students are not limited in their options of major, post-graduate education and career choice.
- It is essential to provide a clear message to young students and their parents prior to high school that college is possible and within reach, regardless of their family circumstances, cultural background, or financial resources.

Associate Vice President Freda Harris reported on the options considered by the working group, which included:

- Tuition stratification
- Differential tuition
- Per credit tuition
- Cohort tuition/tuition guarantee
- Educational savings programs
- Discounts for prepaying tuition
- Separate tuition for level 1 and level 2 students
- Discounts for families with multiple students enrolled

She then described four of the options reviewed by the group.

Tuition stratification, she explained, refers to the range of tuition rates available within the UW System at the UW Colleges, the Comprehensive Universities, UW-Madison, and UW-Milwaukee. It refers to both increasing and decreasing the range of tuition options within the System and potentially expanding the range of tuition charges among the Comprehensive Universities.

The “pros” for this option include:

- It provides a greater range of options for students.
- It could be based on cost of education.
- It could be based on market/demand.
- It could be based on peer median.
- It could allow funding to benefit multiple institutions.

The “cons” for this option include:

- It could reward/punish students depending on where they live.
- It could create a perception of higher/lower quality.
- It could have a negative effect on low income students without adequate financial aid.
- Ability to retain revenue under current statutes is limited.

The option of differential tuition refers to an amount that is added to, or in some cases, reduced from, standard or base tuition for a campus or a program. It must be approved by the Board of Regents and, under current policy, it involves a great deal of student input. Funding generated by the differential tuition must be used for specific purposes approved by the Board.

The “pros” for this option include:

- Differential tuition funding remains on the campus and students see the direct benefit.
- It allows campuses and students to raise additional revenue for high priority areas.
- Some additional revenues could be used for financial aid to ensure access.
- The Board has the authority to implement differential tuition, and the System can retain the funds.

The “cons” for this option include:

- No additional GPR is committed for financial aid to offset the differential tuition.
- It can be difficult to understand differences among institutions.
- It may be used to offset loss of GPR support.

Turning to the option of per-credit tuition, Ms. Harris explained that, under the current system, students pay per credit for up to 12 credits and resume per credit payments after 18 credits. This raises an equity issue because students taking 13-18 credits get the benefit of free credits.

The “pros” for this option include:

- Students would pay for what they take.
- It might encourage more collaboration among institutions, which would receive full funding for each credit when they collaborate on programs.
- It would promote more equity among part-time and full-time students.

The “cons” for this option include:

- Grant aid would not increase for students taking more than 12 credits.
- Students might fail to take enrichment and breadth courses.
- Students might take fewer courses per semester and then take longer to graduate.

As to the option of cohort tuition, Ms. Harris explained that, in this model, the same tuition rate is applied to a group of students, generally entering freshmen and transfer students, that is different from the rate paid by other students. There can be a rate guarantee whereby students would pay the same rate for four-five years, or a guaranteed maximum increase that students would pay per year. The rate paid at the start of a cohort program incorporates sufficient funding to cover anticipated increases needed over a four-five year period.

The “pros” for this option include:

- It allows for better student financial planning.
- It provides an incentive to complete a degree within the fixed timeframe (4-5 years).
- It could increase capacity by shortening time to graduation.

The “cons” for this option include:

- Without a compact with the state, it would be difficult to predict an adequate tuition level.
- It would be complicated to implement and manage.
- If a student did not graduate during the fixed tuition guarantee, she or he could experience a large tuition increase up to the level of the new cohort.
- There could be inability for the UW to retain interest earnings.

The challenge, Ms. Harris noted, is to find the delicate balance between the amount of GPR support the university receives and the amount of tuition that is charged in order to have sufficient resources to cover the total cost to educate students. When the UW System was first created, GPR covered about 75% of the total cost of education. For a long time the sharing of costs was 65% GPR and 35% tuition, but now it is about a 50/50 split.

In discussion following the presentation, Regent Bartell inquired about what the committee considered to be the “cons” to raising the lower end of the tuition plateau to 15 and making it narrower.

Ms. Harris replied that the concern was that students might not reach the 15 credit level and thereby increase their time to degree. Vice President Durcan added that there would be an impact on grant aid in that 12 credits is considered full time for that purpose and students could not qualify for more grant aid by taking 15 credits.

Stating that it is urgent to address the affordability issue, Regent Davis noted that increased borrowing and declining numbers of low-income students are trends that are disturbing and contrary to goals of the Growth Agenda. She expressed support for the recommended financial aid principles and funding that would hold low-income students harmless from tuition increases.

In response to a question by Regent Walsh about the definition of low-income students and families, Ms. Wilhelm indicated that students are considered dependent until age 24 unless certain conditions apply. With regard to income, the intent was to move away from use of income quintiles, which rely on self-reported information, and to instead use receipt of Pell Grants, which is a nationally accepted metric, tied to tax information.

Replying to further questions by Regent Walsh, Ms. Wilhelm indicated that it is not known how many low-income students do not apply for Pell Grants or how many rely on jobs instead of loans.

Regent Thomas remarked that many students in need apply for grants but will not take out loans.

In response to a question by Regent Vásquez, President Reilly said that the options could be used separately or together. After hearing the Regents' thoughts, he would formulate recommendations to bring to the Board. Tuition for the 2008-09 academic year would be decided at the June meeting.

Regent Vásquez asked for additional information on what statutory changes would be needed, and President Reilly indicated that recommendations would be brought to a future meeting.

Regent Falbo noted that the charge to the working group was to provide options, rather than make recommendations.

Regent Connolly-Keesler asked if students could add differential tuition on top of cohort tuition, to which Ms Harris replied that the working group felt that differential tuitions were put in place for specific purposes and that students and institutions would not want to discontinue them.

President Reilly remarked that, while it would be ideal for students to graduate with no debt, the reality is that most expect to take out a loan for their education, as they would for other major purchases. Unlike most of those purchases, education is an asset that appreciates over time.

Regent Davis remarked that the prospect of taking on \$21,000 in debt is daunting to many low-income students, and Regent Connolly-Keesler added that would be particularly true for graduates going into lower-paying careers.

Regent Crain expressed appreciation for the opportunity to serve on the working group, noting that the topic is very complicated, and stated her support for flexibility in this area from campus to campus.

She also agreed with the concerns expressed by Regent Davis and Regent Connolly-Keesler, adding that students' education should not have to be focused only on making money. She also was concerned about maintaining educational quality in view of decreased state support.

Regent Smith questioned whether using tuition for financial aid would be a realistic option, given the problems that the UW-La Crosse plan experienced in the Legislature.

UW-Green Bay Chancellor Bruce Shepard noted that per-credit tuition simplifies administration, which is particularly important when partnerships among institutions are involved. Pointing out that 80% of students are in the top three income quintiles, he thought it would make sense to use some tuition funding for financial aid.

UW-Parkside Chancellor Jack Keating commented that institutions that charge higher tuition would have better quality and those that charge lower tuition would have poorer quality.

UW-Milwaukee Chancellor Carlos Santiago pointed out that a disadvantage of plateau tuition is that part-time students subsidize full-time students. For the Growth Agenda to move forward, he said, GPR, tuition and enrollment must be aligned.

President Reilly noted that one question is whether there should be more formalized enrollment planning. When limits on enrollments were removed to encourage growth, he explained, the per-student subsidy at UW-Milwaukee went down.

UW-La Crosse Chancellor Joe Gow said that, in the case of the La Crosse initiative, there was more support for using GPR for financial aid than for using tuition. When tuition is increased, he remarked, the university must be able to explain why it is necessary to do so. For example, people understood that UW-La Crosse needed more faculty and supported higher tuition to make that possible. While no one enjoys raising tuition, he said, compromising quality is disastrous.

With regard to need-based financial aid, President Reilly noted that people like the Morgridges and organizations like the Great Lakes Higher Education Corporation are stepping up to donate funding and that the UW-Madison faculty is beginning a fund-raising campaign. In that regard, he pointed out that one question is whether the state will maintain its financial aid commitment and how private giving can be tied to the state's commitment.

Stating her support for tuition flexibility among institutions, Regent Rosenzweig echoed the concerns about not weakening the ability to make the case for state-funded financial aid and losing a generation of lower-income students due to insufficient aid funds.

Regent Spector commented that lack of public funds is a reality not likely to change. He considered the options presented to be tactically sound, but further thought would be needed to determine how best to move forward.

UW-Stevens Point Chancellor Linda Bunnell observed that it is much more difficult to "put a face on" quality than on access and cautioned that the ability to attract and retain faculty is eroding rapidly.

Noting that students at private colleges and universities often incur large debts, Regent Vásquez suggested partnering with these institutions in order to present a broader front.

Commending the chancellors for their comments, Regent Pruitt cautioned about the need to be sensitive to the possibility of unintended consequences. Indicating that he was concerned about tuition stratification, he urged that the outcomes of implementing any of the options be monitored carefully.

Regent Davis emphasized the need to couple access with quality and represent the student voice in these issues.

In that regard, President Reilly said that student government leaders participated in the development of the working group report. In April, they would be invited to speak to the Board about budget priorities for the coming biennium.

Regent Thomas said that students remain concerned about affordability and about financial aid. Some support differential tuition because there is a strong student voice in how the money is used.

With regard to quality, she remarked that the Political Science Department in which she is a student is losing faculty and offers fewer classes, including fewer honors classes. This, she observed, is happening across the UW System.

Regent Connolly-Keesler agreed with Regent Vásquez that higher education institutions should work together to market the need for financial aid and encourage philanthropy.

The discussion concluded at 2:40 p.m.

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REPORT OF THE PRESIDENT OF THE BOARD

Report on the February 26, 2008 meeting of the Wisconsin Technical College System Board

A written report on the February 26, 2008 meeting of the Wisconsin Technical College System Board was provided.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Adult Student Initiative

President Reilly reported that he had participated in a roll-out of the Adult Student Initiative at UW-Fox Valley the preceding week, which also was attended by Governor Doyle, Regent Crain, Chancellor Wilson, and Provosts Lampe and Shepard of the UW Colleges and UW-Extension.

The initiative, he explained, promotes one of the twin pillars of the Growth Agenda -- to educate a broader, deeper cut of traditional-age students and to educate more adult students.

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Making Opportunity Affordable Grant Program

Last December, President Reilly recalled, the UW System, in partnership with the Technical College System and the Department of Public Instruction and with support from the Governor's Office and the Wisconsin Association of Independent Colleges and Universities, made a proposal for the Making Opportunity Affordable Grant program, sponsored by the Lumina Foundation.

The four challenges of this program, which connect directly to the Growth Agenda, are:

- To increase the percentage of college educated adults across the country
- To contain costs in strategically investing these resources
- To strengthen institutional and system capacity to serve larger and more diverse student populations
- To improve student learning.

Of 42 states that submitted proposals, President Reilly announced that Wisconsin is one of 11 chosen for site visits. The hope is that Wisconsin will be one of 10 to receive a \$100,000 grant to develop an action plan between September 2008 and August 2009. An implementation grant then will be awarded to five states for \$500,000 a year, up to four years, to work with a national network on issues of affordability and quality.

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Posters in the Rotunda

Reporting on a very successful Posters in the Rotunda celebration, President Reilly said that Dr. Nancy Hensel, head of the National Council on Undergraduate Research and a featured speaker at the event, was favorably impressed with the work being done in the UW System to encourage and highlight the importance of undergraduate research.

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UW-La Crosse Physician Assistant Graduates Earn Highest Scores

President Reilly congratulated the 2007 graduates of the UW-La Crosse Physician Assistant Program, who earned the highest scores in the country on the recent certification exam.

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REPORT OF THE PHYSICAL PLANNING AND FUNDING COMMITTEE

Regent Bartell, chair, presented the committee's report.

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Building Commission Actions

Associate Vice President David Miller reported that the Building Commission approved about \$69 million for projects at its February meeting.

Of the six requests for alternative delivery methods approved by the Regents in February, only two (the UW-Madison South Campus Union project and the UW-Stout Jarvis Science wing remodeling project) were approved for alternative delivery by the Building Commission. However, the commission instructed the Department of Administration to work with interested parties to recommend statutory changes by November 2008 to improve the efficiency of project delivery. One improvement, Regent Bartell added, would be use of single prime contractors, in accord with what is done in the private sector.

The Building Commission meeting also included presentation by Governor Doyle of the 2007 Design and Construction Awards, which recognize excellence in state building projects. The award for Excellence in Sustainable Design and Construction went to Workshop Architects for the new UW-River Falls Student Union, and the award for Excellence in Architectural Design was given to Plunkett-Raysich Architects for the UW-Madison Microbial Sciences Building.

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UW-Madison: Authority to Exchange Land with the Wisconsin Alumni Research Foundation

The committee was informed that the request would authorize an exchange of land between the Board of Regents and the Wisconsin Alumni Research Foundation (WARF) to expand the Wisconsin Institutes for Discovery. The existing agreement transfers Regent-owned land in the 1300 block of University Avenue to WARF in exchange for parcels to be purchased by WARF within the development boundary of UW-Madison. This request would add a 1/3 acre parcel in the 1200 block of Johnson Street to that agreement, which would be used by WARF to build and own an animal research facility. WARF also would build a loading dock for access to the Wisconsin Institutes for Discovery. The research facility, called a vivarium, would become part of the private Morgridge Institute for Research.

The committee approved a resolution granting the requested authority for inclusion in the consent agenda.

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UW-Whitewater: Approval of Design Report, Authority to Adjust Project Scope and Budget, and Construct the Residence Hall Project

The committee was informed that the request would modify slightly a project already approved and enumerated in the 2007-09 Capital Budget.

The new 446-bed hall, which will have five floors and a basement hall, will replace Sayles Hall and White Hall, which have exceeded their useful lives. The new hall is intended to house juniors, seniors and graduate students. The project scope and budget increase would provide replacement for a 165 stall parking lot that will be displaced by the construction of the new building.

The committee passed a resolution approving the design report and granting the requested authority for inclusion in the consent agenda.

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UW System: Authority to Construct All Agency Maintenance and Repair Projects

The committee was informed that the projects would include installation of a waterproofing system at UW-Madison's Camp Randall; remodeling of food facility space at the Memorial Union, UW-Madison; and window and floor tile replacements at UW-River Falls.

The committee approved a resolution granting the requested authority for inclusion in the consent agenda.

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Consent Agenda

Adoption by the Board of the following consent-agenda resolutions was moved by Regent Bartell, seconded by Regent Walsh and carried on a unanimous voice vote.

UW-Madison: Authority to Exchange Land with the Wisconsin Alumni Research Foundation

Resolution 9446: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to amend the existing land exchange agreement, related to the Wisconsin Institutes for Discovery, between the Board of Regents and the Wisconsin Alumni Research Foundation (WARF) to incorporate a portion of the 1200 block of Johnson Street on the UW-Madison campus. The Board of Regents-owned property will be exchanged for properties of equal value and of strategic

importance to future UW-Madison development, which will be acquired by WARF.

UW-Whitewater: Approval of the Design Report and Authority to Adjust the Project Scope and Budget, and Construct the Residence Hall Project

Resolution 9447: That, upon the recommendation of the of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, the Design Report of the New Residence Hall project be approved and authority be granted to (a) increase the scope and budget by \$1,132,000 (\$532,000 Program Revenue Supported Borrowing, and \$600,000 Program Revenue-Cash) and (b) construct the project at a total cost of \$36,860,000 (\$36,260,000 Program Revenue Supported Borrowing and \$600,000 Program Revenue-Cash).

UW System: Authority to Construct All Agency Maintenance and Repair Projects

Resolution 9448: That, upon the recommendation of the 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 \$1,361,700 (\$163,600 General Fund Supported Borrowing and \$1,198,100 Program Revenue Cash).

In response to a question by Regent Spector about Green Buildings, Mr. Miller said that several UW System projects have LEED silver and almost gold ratings. These guidelines also are being followed for other state buildings.

Regent Bartell added that the residence hall project at UW-Whitewater has a LEED silver rating.

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CLOSED SESSION

At 3:00 p.m., the following resolution, moved by Regent Pruitt, was adopted on a unanimous roll call vote, with Regents Walsh, Vásquez, Thomas, Spector, Smith, Shields, Rosenzweig, Pruitt, Falbo, Davis, Crain, Connolly-Keesler, Burmaster, Bradley, and Bartell (15) voting in the affirmative. There were no dissenting votes and no abstentions.

Resolution 9449: Move into closed session to consider a honorary degree nominations from UW-Superior and UW-River Falls, as permitted by 19.85(1)(f), *Wis. Stats.*; to consider personal histories related to naming of a facility at UW-Superior, as permitted by s.19.85(1)(f), *Wis. Stats.*; and to confer with legal counsel regarding pending or potential litigation, as permitted by 19.85(1)(g), *Wis. Stats.*

The following resolution was adopted in closed session:

UW-Superior: Authority to Name the New Academic Building “Swenson Hall”

Resolution 9450: That, upon the recommendation of the UW-Superior Chancellor and the President of the University of Wisconsin System, authority be granted to name the new academic building “Swenson Hall.”

The meeting was adjourned at 3:20 p.m.

Submitted by:

Judith A. Temby, Secretary