



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

February 27, 2008

TO: Each Regent

FROM: Judith A. Temby

A handwritten signature in black ink, appearing to read "J. A. Temby".

PUBLIC MEETING NOTICE

RE: Agendas and supporting documents for meetings of the Board and Committee to be held at UW-Madison on March 6, 2008.

Thursday, March 6, 2008

9:00 a.m. – Physical Planning and Funding Committee meeting
1920 Van Hise Hall

10:00 a.m. – Board of Regents

- Discussion of the Role of the UW Colleges
1820 Van Hise Hall

12:00 p.m. – Box Lunch

12:30 p.m. – 2:30 p.m. – Board of Regents

- Report of the Tuition and Financial Aid Working Group
1820 Van Hise Hall

2:30 p.m. – 3:30 p.m. – Board of Regents

- Additional Business
1820 Van Hise Hall

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

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

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

The meeting will be webcast at <http://www.uwex.edu/ics/stream/regents/meetings/> Thursday, March 6, 2008, at 10:00 a.m. until approximately 3:30 p.m.

REVISED 02/26/08

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

March 6, 2008
10:00 a.m.
1820 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin

10:00 a.m. – 12:00 p.m.

1. Calling of the roll
2. Approval of the minutes of the February 7 and 8, 2008, meetings
3. Discussion of the Role of the UW Colleges

12:00 p.m. Box Lunch

12:30 p.m. – 2:30 p.m.

4. Report of the Tuition and Financial Aid Working Group

2:30 – 3:30 p.m.: Additional Business

5. Report of the President of the Board
6. Report of the President of the System
7. Report of the Physical Planning and Funding Committee
8. Additional resolutions
9. Communications, petitions, and memorials
10. Unfinished and additional business
11. Move into closed session to consider a honorary degree nominations from UW-Superior and UW-River Falls, as permitted by s.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 closed session may be moved up for consideration during any recess in the regular meeting agenda. The regular meeting will reconvene in open session following completion of the closed session.

THE UW COLLEGES COMMITTEE REPORT

EXECUTIVE SUMMARY

BACKGROUND

In August 2006, UW Colleges/UW-Extension Chancellor David Wilson created a *Commission on Enhancing the Mission of the UW Colleges (Commission)* and charged it with addressing questions about how the UW Colleges could “improve upon the excellent liberal arts education it offers, while making wise use of its limited resources.” He asked the *Commission* to address the overarching question: “Should the UW Colleges go forward with a renewed reinvigoration and reaffirmation of its existing mission, or should that mission be enhanced to enable it to more fully meet the needs of adult and place bound students?”

A number of recommendations emerged from the *Commission*, and Chancellor Wilson established a series of UW Colleges task forces to consider five specific recommendations. In October 2007, as the work of the task forces proceeded, UW System President Kevin Reilly charged a UW System Committee (*Committee*) with addressing the systemwide implications of the five strategies being considered by Chancellor Wilson’s task forces. This would ensure that UW System leaders and the Board of Regents would be prepared to consider any proposals made by Chancellor Wilson following the task forces’ work.

President Reilly charged the *Committee* with outlining the pros and cons of the five potential strategies being considered by the UW Colleges task forces within the context of increasing “the number of baccalaureate degree graduates, expanding educational opportunities, and addressing the UW System Growth Agenda.” At the time of the *Committee* deliberations, Chancellor Wilson had not yet received any recommendations from his task forces, nor proposed any of the strategies under review by the task forces and the *Committee*.

The attached report was completed in December 2007, and provides the *Committee*’s assessment of considerations that would need to be addressed if any of the five strategies were proposed by Chancellor Wilson.

REQUESTED ACTION

For information purposes only; no action is required.

DISCUSSION

Since completion of the UW Colleges Committee Report, Chancellor Wilson has discussed with the UW System Chancellors and Provosts an interest in moving forward on two of the five strategies: pursuing limited baccalaureate degree authority for the UW Colleges (strategy 1); and exploring ways to offer UW Colleges courses and programs in under-served areas of northern Wisconsin (strategy 3). These will be the subject of discussion before the Board of Regents at its March 2008 meeting.

Report of the UW System UW Colleges Committee December, 2007

Introduction

A series of UW Colleges task forces have been charged by Chancellor Wilson to consider a number of strategies that emerged from the Commission on Enhancing the Mission of the UW Colleges to address the Growth Agenda's goal of expanding the number of baccalaureate degree holders in Wisconsin. The UW System UW Colleges Committee (Committee) has been charged by President Reilly to address the systemwide implications of five specific strategies under consideration by UW Colleges task forces (see attachment for Committee membership). The Committee has been asked to identify the pros and cons of each of these strategies (the committee's charge is attached as appendix B).

The Committee met three times, on October 25th, November 21st and by teleconference on November 30th. At its October 25th meeting, it received its charge from Senior Vice President Rebecca Martin. UW Colleges/UW-Extension Chancellor David Wilson also shared some introductory remarks on the ongoing work on these strategies. While it is not the role of the Committee to make recommendations on particular proposals that may emerge from the work of the UW Colleges task forces on these strategies, the Committee felt it was important to have a context from which to provide input regarding the enumerated strategies. Committee members Interim Provost Greg Lampe and Vice Chancellor for Administrative and Financial Services Steve Wildeck provided background on the work of the task forces at the October 25th meeting, and updated the committee at its November 21st meeting.

The work of the various UW Colleges task forces were helpful in building a set of policy issues regarding each of the strategies that need to be considered. The Committee, building on the work of the UW Colleges task forces, identified considerations, and questions that need to be addressed in considering any future proposals coming from the UW Colleges.

This report begins with a brief context of the planning underway by the UW Colleges task force for each strategy. That is followed by a set of considerations that should be addressed by President Reilly and the Board of Regents as proposals come forward from the UW Colleges.

Strategies

1. Offering baccalaureate degree program(s).

Context: A UW Colleges task force is considering the offering of a single, applied bachelors degree that would address in its delivery, method, and targeted audience an area of documented need. The program would be aligned with the

strengths of UW Colleges faculty, and targeted at place bound and/or underserved students.

Considerations:

- Potential duplication: By providing additional options for students beyond those currently available, the purpose of this degree would be to contribute to expanding baccalaureate degree holders in the state. To what extent would the offering of an applied bachelors degree by UW Colleges duplicate current UW System options?
- Collaboration with other UW institutions: Can the goals of an independently offered applied baccalaureate degree program be met through existing, expanded and/or improved collaborative degree programs, and/or a University Center model?
- Fit with other initiatives: Offering a baccalaureate degree should be considered along with other possible initiatives emanating from the work of the UW Colleges task forces. Implementation of a combination of strategies could have compounding positive and negative effects in some areas such as the growth agenda, and impact on other UW institutions.
- Mission fit vis-à-vis the comprehensive and doctoral campuses: What impact would offering applied baccalaureate degree(s) have on the UW Colleges select mission to provide the first two years of a liberal arts general education to its students, and the missions of the UW Comprehensive and Doctoral campuses?
- Access: To what extent would the creation of an applied baccalaureate degree program expand access to Wisconsin citizens who currently do not have access to such programs through face-to-face or distance education options?
- Resources: What resources would be required to offer applied baccalaureate degree program(s), and how does that investment impact the UW Colleges specifically, or the UW System more broadly.
- Wisconsin Technical College System: Would the UW Colleges offering an applied bachelors degree serve the needs of WTCS students?
- Transfers from the UW Colleges: What impact would the offering of an applied baccalaureate degree program by the UW Colleges have on the junior/senior enrollment of other UW institutions to which UW Colleges students currently transfer?
- Target audience: What group(s) of Wisconsin residents would be served by such program(s), and what baccalaureate degree options are currently available to them?
- Delivery methods: How would such a program be delivered so as to reach students who currently do not have convenient access to baccalaureate degree programs?

2. Adding residence halls on UW Colleges campuses

Context: There are currently residence hall facilities at UW-Marathon County and UW-Richland. A number of UW Colleges campuses are considering how residential facilities could enhance the institution's mission and goals of access and affordability. Chancellor Wilson charged a special committee to look into the following issues. The committee's report is due to the Chancellor by December 31, 2007.

- Is there a demand for student housing on UW Colleges campuses?
- In what ways does the establishment of student housing complement the mission of the UW Colleges?
- Are there situations in which student housing would be inappropriate?
- What issues need to be examined when considering student housing on a UW Colleges campus?
- What minimum standards should be set for new UW Colleges student housing projects, in the areas of student life programming and facility design?
- What are the various ownership, operating, and funding structures that should be considered for UW Colleges student housing projects?
- What are the risks inherent in creating student housing on UW Colleges campuses?
- What other issues should be considered?

Considerations:

- Student focus: How would the student housing project complement the campus mission and contribute to student recruitment, retention and overall success?
- Demand, and availability of alternatives: What if any local living options exist for students who might be interested in residence hall living, and is there sufficient willingness to pay for the residence life experience?
- Access and Geographic draw of the UW Colleges campuses: Would the availability of a campus residence hall attract students who are currently not attending the UW Colleges campus?
- Regional access: Would the presence of a residence hall enable the campus to better serve students from its existing region?
- Security, safety, and support needs: What are the resource and liability implications in the areas of security, safety and other residence life support that would come with the development of a campus student housing project?
- Finance and operations: Can an ownership, financing, and operating plan be created for the project which minimizes risk to the campus while achieving student residence life goals?
- Physical development plan: How does the campus student housing project fit within the long-range campus physical development and land use plans, including those jointly developed with counties and cities?

- Impact on other UW campuses: What impact might a UW Colleges campus residence hall project have on freshman and sophomore enrollment at other UW institutions?

3. Opening UW Colleges satellite operations in underserved areas: The Northern Wisconsin Higher Education Initiative.

Context: A UW Colleges task force is considering a process for determining need, and carrying out that process to serve adult students in northern Wisconsin, (north of US Hwy 8), an area that appears to be underserved. If a need is identified, the task force is considering how and where it can be addressed in the most flexible and economic way possible.

Considerations:

- Target audience(s): What specific target audience(s) would be served by such an initiative?
- Other UW institutions:
 - What impact might delivery of programming to areas of northwest Wisconsin have on other UW institutions?
 - What collaborations currently exist with other UW institutions to serve the population in this geographic area of the state?
- WTCS and private institutions: What higher education options are currently available to residents of this area that are provided by the WTCS and private institutions?
- Political considerations: What are the political implications of expanding the UW physical presence? Are there larger population centers in the state with similar needs, and if so, how will those needs be prioritized?
- Impact on economic and workforce development: How would a more educated workforce affect the area economy, i.e. would a more educated workforce contribute to/be absorbed by the local economy?

4. Forming a Closer Relationship with UW Madison to Enhance Access for Students in Madison.

Context: A UW Colleges task force is considering a set of questions relating to serving the Madison community. Strategies are being considered that would address access for students in the Madison area with the goals of enhancing diversity, using UW name recognition as a draw for students who might otherwise be pursuing other options, and assisting UW Madison in dealing with its inability to accept more students as freshmen. The Madison higher education market is a competitive one that includes MATC, and a number of private institutions in addition to UW-Madison. Specific issues being addressed by the task force include:

- The need for a UW Colleges presence in Madison.

- The programs/courses/majors that might be offered.
- Targeted audiences including adults, persons of Color, State employees and others.
- Appropriate cost for potential course offerings, assuming cost recovery model.
- Mode of delivery Locations and/or facilities.
- Political and other issues that need to be addressed.

Considerations:

- Impact on other UW institutions: What impact would additional Madison area freshman and sophomore level programming opportunities have on the choices of such students, and enrollments at other UW institutions?
- Other Madison area higher education options: Considering other Madison area higher education options, what needs of underserved students are not currently being served?
- Madison Area Technical College: To what extent would a UW Colleges presence in Madison complement the opportunities currently available through MATC's liberal arts and science associate degree programs?
- Potential benefit to other UW institutions: Could a UW Colleges presence in Madison expand the pool of students of Color for all UW campuses?
- Political considerations: Any effort to enhance participation and success of underserved students in the Madison area should be well received, with the caveat that those institutions in Madison that see their role as serving that need may believe that additional resources for their efforts would be a better investment than support for a new initiative.

5. Forming a closer relationship with UW-Milwaukee and the Milwaukee Public Schools to Enhance Access for Students in Milwaukee.

Context: A UW Colleges Task Force is considering the question of how the UW Colleges and UWM can partner to serve the population in Milwaukee including students admitted to UWM who may have remedial education needs and benefit from concentrated attention, the adult population, and persons of Color. At this point the focus of the task force has been on serving the needs of adult students. It has also been charged with considering a pre-college partnership with UWM and MPS to get more MPS students into higher education.

Considerations:

- Impact on other UW institutions:
 - A number of UW institutions have pre-college programs in the Milwaukee area. How would this initiative positively or negatively impact those programs?
 - Several UW institutions also have programs designed for concentrated attention for students requiring remedial education on their campuses.

How would this initiative positively or negatively impact those programs?

- Milwaukee Area Technical College: To what extent would such a collaboration with UWM supplement or duplicate opportunities currently provided by MATC-Milwaukee?
- Resources: If an investment in additional resources is appropriate, to what extent should they go to supporting existing pre-college programs in Milwaukee?
- Potential benefit for other UW institutions: Could such an initiative impact other UW institutions by creating a broader pipeline of students of Color for UWS campuses?
- Political considerations: Any effort to enhance participation and success of underserved students in the Milwaukee area should be well received, with the caveat that those institutions in Milwaukee that see their role as serving that need may believe that additional resources for their efforts would be a better investment than support for a new initiative.

Conclusion

All UW institutions play a critical role in achieving the goals of the Growth Agenda. Student needs vary across different age groups and areas of the state. All of the UW Colleges task forces are exploring strategies to address the needs of students who are not currently accessing higher education opportunities. The Committee has approached its task by identifying considerations to be addressed in evaluating proposals coming forward from the UW Colleges holistically, within the context of leveraging the strengths of the UW System to meet the interests and needs of students and the State.

Appendix A: Committee Membership

Carol Sue Butts, Provost, UW-Platteville

Rita Cheng, Provost, UW-Milwaukee

Greg Lampe, Interim Provost, UW Colleges

David Miller, UWSA, Assistant Vice President, Capital Planning and Budget

Lynn Paulson, UWSA, Assistant Vice President, Budget and Planning

David Schejbal, Dean, Continuing Education, Outreach and E-Learning

Ron Singer, UWSA, Associate Vice President, Academic Affairs (Committee Chair)

Tom Sonnleitner, Vice Chancellor, Administrative Services, UW-Oshkosh

Steve Wildeck, Vice Chancellor, Administrative and Financial Services, UW
Colleges/UW-Extension

Sharon Wilhelm, UWSA, Interim Associate Vice President, Office of Policy Analysis
and Research

Appendix B: Committee Charge

UW Colleges and the UW System Strategic Framework.

Purpose: Create a group with representation from UW Colleges, UW Extension, UWSA and the other UW institutions to consider the role of the UW Colleges in addressing the UW System Strategic Challenge Questions and the Growth Agenda. The work of the group will be linked to the work of the UW Colleges task forces that have been formed to consider the recommendations of the UW Colleges Commission. This group will be a policy review group, offering the pros and cons of the Colleges pursuing various strategies in support of the Growth Agenda.

The Overarching question: What role should the UW Colleges play in addressing the seven UW System Strategic Challenge questions and the Growth Agenda in general; and the following strategic challenge questions in particular?

- How can we increase the number of Wisconsin graduates and expand educational opportunities by extending and increasing retention and graduation rates?
- How can we further leverage UW System's strengths and impact through increased collaborations among our campuses and with Wisconsin partners?

Focused questions: What are the pros and cons of utilizing the following strategies to increase the number of baccalaureate degree graduates, expand educational opportunities, and address the UW System Growth Agenda:

- UW Colleges offering baccalaureate degree programs?
- Adding residence halls on UW Colleges campuses?
- Opening more UW Colleges satellite operations in underserved areas in the state?
- Forming a closer relationship between the UW Colleges and UW Madison to serve students qualified to attend UW Madison during the first two years?
- Forming a closer relationship between the UW Colleges, UW Milwaukee, and Milwaukee Public Schools to expand educational opportunities by increasing retention and graduation rates, particularly among students of color?

Time Line:

Report to President Reilly by December 1, 2007



Vice President for Finance

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February 28, 2008

To: Board of Regents

From: Debbie Durcan, Vice President for Finance
Freda Harris, Associate Vice President, Budget and Planning
Sharon Wilhelm, Interim Associate Vice President, Office of Policy
Analysis and Research

This memorandum provides additional context and background for the attached report from our Advisory Group on Tuition and Financial Aid Policy, appointed in May 2007 by UW System President Kevin P. Reilly.

You'll recall that this group began its review as the UW System was building broad public support for plans to increase the number of baccalaureate degree holders in Wisconsin through increased affordable college access, improved retention, and higher graduation rates. The success of these and other "Growth Agenda" efforts will be determined, in part, by the stability of revenue streams that support core educational programs and related student services. As we work together to provide that stability in an era of declining state support, we must also preserve the state's longstanding reputation for providing affordable access to postsecondary education.

As you will see in the report, the workgroup reviewed a wide range of tuition options, including some that have been implemented in Wisconsin. For each option, the group worked to provide an objective assessment of pros and cons to inform how the University might move forward strategically in managing tuition and financial aid.

Underlying this analysis is a fundamental understanding that there is a direct correlation between state resources (GPR) and tuition – the UW System's two main sources of funding. When state support for the University grows, tuition remains more stable. When state support declines, the burden of funding educational costs shifts to tuition.

Taxpayers and students alike benefit greatly from investments in higher education:

1. College graduates on average earn 63% more than those with only a high school diploma, so the investment in a college education more than pays for itself over the course of a typical career.
2. The UW System generates \$10 billion annually to the Wisconsin economy, and levels of educational attainment correlate strongly with higher per-capita incomes, indicating that increased investments in the University will solidify and broaden Wisconsin's state tax base.

In spite of this substantial return-on-investment, the UW is sensitive to issues of tuition pricing, the net cost of attendance for students, and the adverse impact of "sticker shock" on applications and enrollments. As tuition rises, students coming from families with limited resources face

greater obstacles. Need-based financial aid serves as the balancing factor that allows the University to maintain access for students regardless of family income.

This report illustrates that UW System tuition for resident undergraduate students is \$1,000 to \$2,000 below that of peer four-year universities in other states, and Wisconsin ranks as the 10th most affordable state for access to four-year colleges. In spite of this ranking, and substantial investments in financial aid made during recent years, Wisconsin is still categorized as a “low-aid” state. This indicates that lower-income families may not have much of a “cushion” in Wisconsin. The work group believes strongly that any change to tuition policy should include a corresponding change to financial aid practices to preserve and expand affordable access for all Wisconsin residents. Even if current tuition practices remain unchanged, the state should consider additional investments in need-based financial aid to increase college access. Recent events indicate growing support for this direction and its long term benefits for Wisconsin as a state:

- The Wisconsin Covenant, bolstered by a \$40 million grant from Great Lakes Higher Education Corporation, is a potential source of ensuring access for future UW System students.
- The \$175 million Fund for Wisconsin Scholars announced by John and Tashia Morgridge will significantly expand need-based aid for students in Wisconsin’s public postsecondary institutions.
- State leaders are exploring ways to ensure that funding for need-based financial aid increases at real-dollar increments linked to real-dollar tuition increases, mirroring the work group’s recommendation for a “hold harmless” for current students.

It is critical that the UW System focus on this issue, and identify long-term strategies that not only preserve affordable access to quality public higher education, but also communicate effectively to students, parents and others that financial aid – in all forms – is available.

Comparing the UW System’s current tuition policies to several alternatives, it appears that current approaches are working well. However some options presented here may provide valuable flexibility for the institutions.

Differential Tuition

The UW System currently has two broad categories of differential tuitions—institutional and programmatic. A few years ago, System Administration staff worked with United Council to develop guidelines for student involvement in implementing either kind of differential. President Reilly specifically asked the workgroup to examine whether future use of differential tuition should be more limited or if the university should consider more stringent guidelines on how the funding could be used.

In recent years, the Board of Regents has heard overwhelming support from affected students regarding the benefits of differential tuition and their levels of involvement in establishing those new programs. Students see differentials as a way of addressing significant areas of concern and seem to appreciate the control and involvement currently afforded to them. Students and others

recognize that differential tuition allows campuses to develop a “margin of excellence” in particular areas. The workgroup affirmed the current practice of utilizing differential tuition.

The group did offer two process recommendations for consideration:

1. Every differential tuition plan should include a regular review by System Administration to confirm that funds are being spent as proposed, and whether the institution is adhering to its own internal review plan. The results of the review would be provided to the Board regularly.
2. The Board of Regents should formally approve any significant changes in the use of funds generated by a differential tuition plan, when those resources are directed to a new area of need.

The work group examined significant checks and balances already in place with regard to tuition increases and differential tuition proposals. The process involves a great deal of student input and consultation, and differential proposals must be reviewed by System Administration staff and all UW System Chancellors before going to the Board of Regents for formal consideration.

One area of concern was the possible use of differential tuition to supplement capital projects. By their nature, these projects benefit generations of students, but should be funded in a manner that does not detract from instructional, academic and other operational needs. Therefore, the group did not recommend using differential tuition to support capital projects in the near term.

The group was supportive of allowing institutions the flexibility to recommend the use of a portion of differential revenue for financial aid to offset the negative impact of the differential itself and maintain access to the institution or program for low-income students. However, the group was not supportive of using general tuition increases to support financial aid, as that should remain the state’s responsibility.

Tuition Stratification

The report highlights the potential for using tuition stratification to increase accessibility to the UW System while also responding to real-world market forces. The group felt it was important for the Board to consider maintaining some lower-priced, high-quality options for access to a UW degree.

The 13 UW Colleges already provide such an option. Located across the state, these freshman-sophomore campuses provide an affordable starting point for anyone wishing to pursue a baccalaureate degree. In addition to lower tuition, the total cost of attendance at UW Colleges is also lower because most students live at home, thus eliminating the costs of room and board for two years before transferring to a four-year campus. In 2007-08, the Regents recognized the need to preserve this option and approved a tuition “freeze” at the UW Colleges. This action also reflects market pricing of other two-year institutions in Wisconsin.

Implemented strategically, stratification might hold tuition increases to lower rates at certain campuses. This would compliment efforts to maintain affordability and access through prudent investments in need-based financial aid.

Conclusion

Just four months ago, people across the state were excited about a new state budget that included funding for the *Growth Agenda for Wisconsin*, to help the UW System address some of the state's long-term economic needs. A number of new students, added as part of the Growth Agenda, have already enrolled. However, the University may now face the challenge of providing more students with a quality education without the benefit of additional funding that was expected, due to the state's short-term revenue shortfall. This underscores the importance of exploring additional ways to stabilize funding for higher education without diminishing educational quality or access.

The UW System remains committed to operational excellence and efforts to reduce overall operating costs in a way that will shift scarce resources into core instructional, research and public service functions. The state has shown a willingness to provide additional resources when available, but a predictable revenue stream from the state may be unlikely. The options in this paper may provide additional strategies for sustaining the *Growth Agenda* and ensuring a brighter future for the UW System and the entire state.

TUITION AND FINANCIAL AID



President's Advisory Group
January, 2008

Report of the President's Advisory Group on Tuition and Financial Aid Policy

The President's Advisory Group on Tuition and Financial Aid Policy was convened in May 2007 to review the University of Wisconsin System's current policies and practices related to tuition and financial aid, and to provide advice to the President on strategic approaches to achieving the goals of the UW System. The Group was charged with developing recommendations for tuition and financial aid policy that would be consistent with the following principles:

1. Be consistent with the Growth Agenda by increasing the number of degree holders through improved access and student success measured by retention and graduation rates;
2. Provide affordable access to improve student success, including maintaining and improving educational quality;
3. Generate sufficient revenues to improve student success, including maintaining and improving educational quality;
4. Be understandable and as easy as possible to implement and manage;
5. Recognize political realities (including the need for statutory changes); and
6. Respect the diverse needs and missions of UW System institutions.

This initial assignment was modified as the process developed. Rather than developing a list of one or two recommendations, the President requested that the Group think broadly and evaluate many tuition and financial aid policies and alternatives. After developing this list of options, the Group was charged with assessing the pros and cons associated with each alternative, so that the President and Board of Regents could make an informed decision regarding the entire range of tuition and financial aid policies.

The Group, recognizing the principles and the time constraints associated with this project, narrowed its scope to those tuition options that are currently in practice, either within the UW System or at other peer institutions. Other groups, including those involved with the current Advantage Wisconsin project, may identify additional tuition options, which could be brought forth, considered, and evaluated against the principles in the future.

The Group met on seven occasions between May and December 2007 and considered the following options:

1. Tuition Stratification
2. Differential Tuition
3. Per Credit Tuition
4. Using Tuition for Financial Aid/Financial Aid for Lowest Two Income Quintiles
5. Educational Savings Programs
6. Discounts for Prepaying Tuition
7. Cohort Tuition/Tuition Guarantee
8. Separate Tuition for Level 1 (Freshman and Sophomore) and Level 2 (Junior and Senior) Students
9. Discounts for Families with Multiple Students Enrolled at UWS Institutions

The Group found that, depending on the situation, many of these options can prove useful. The decision regarding which option to utilize, however, will generally depend on the goals to be achieved, the type of change to the current tuition structure that is desired, and the circumstances of an individual campus that proposes the change. Several options allow small, more incremental change without significantly altering the current system for determining and assessing tuition, while other alternatives will require, and provide for, more substantial and fundamental change.

One major issue that must be acknowledged are the statutory limitations regarding tuition under which the University of Wisconsin currently operates. Section 20.285(1)(im), Wis. Stats., grants revenue generating authority to the Board of Regents, but places some restrictions on the use of these funds. Section 36.27, Wis. Stats., further limits the ability of the Board of Regents to set tuition for resident undergraduate students to the amounts required to fund specific activities, including:

- The amounts enumerated and included in the state budget (section 20.285(1)(im), Wis. Stats.);
- The approved recommendations of the director of the office of state employee relations for compensation and fringe benefits for classified staff and unclassified employees;
- The projected loss in revenue caused by a change in enrollment from the previous academic year;
- State-imposed costs not covered by state-provided general purpose revenue;
- Distance education, nontraditional courses and intersession courses; and,
- Differential tuition that is approved by the Board of Regents.

While the Group recognized the challenges imposed by state statute, it did not allow these limitations to restrict its discussions. This report reflects the Group's assessment of each tuition and financial aid option as an avenue for increasing revenue, enhancing access and educational quality, and improving student success. However, due to the statutory restrictions, some of these options would need to be pursued through the biennial budget/Decision Item Narrative (DIN) process or the differential tuition approval process. The Group recommends that the Board of Regents seek a statutory change to provide the Board with the responsibility and authority to implement those tuition options, either systemwide or at a specific institution, that make the most sense for students, their families, and the citizens of Wisconsin.

Assessment of Tuition and Financial Aid Alternatives

After an extensive review of the tuition options, the Group identified tuition stratification and differential tuition as the alternatives that are most consistent with the enumerated tuition and financial aid policy principles. It is important to note that the Group found that many of the other options might be useful in providing assistance to certain groups or types of students, and therefore could be used in a targeted manner to address specific institutional or system needs. In addition to the more over-arching discussions regarding a review of tuition and financial aid options, the Group acknowledged the need to highlight several specific issues.

First, during the course of the discussions, the Group recognizes that students would benefit from an overall vision for financial aid that ensures uniformity in the design and administration of financial aid programs. In response to this need, the Group approved a statement of support for draft financial aid policy principles (see Appendix D).

Second, there remains a pressing need to provide additional financial aid to students. This is especially true for students from the lowest two income quintiles. These are not the only students who would benefit from additional financial aid, however, as there is an increasing reliance on student debt to finance higher education by all students. The Group believes that, while tuition-funded, need-based, financial aid is an option for future consideration, the state retains the primary responsibility for providing financial aid. Therefore, any tuition-funded financial aid should be provided in conjunction with additional state funding for either new or existing financial aid programs. In response to this need for additional financial aid, the Group expressed support (see Appendix E) for a financial aid program that would hold low-income students harmless against tuition increases and meet all student financial need. The Group recommends that the Board of Regents consider adopting these two documents.

Third, due to the availability of another publicly-funded option for the first and second year of postsecondary education, it is imperative that tuition at the UW Colleges remains competitively priced with Wisconsin Technical College System (WTCS) institutions. Absent competitive tuition, an increasing number of students may choose to take their first year or two of postsecondary education at a WTCS institution, rather than at a UW College; basing their decisions not upon the program, but simply based on price. For a decade, tuition at the UW Colleges was kept \$300 below tuition at the comprehensive institutions. The result is that the full-time tuition for the UW Colleges is now \$527 above tuition for 15 credits in the WTCS College Parallel program (see page 4). In 2007-08, tuition at the UW Colleges was frozen in an attempt to address the disparity with WTCS institutions, though UW Colleges tuition remains higher priced.

Fourth, while differential tuition, along with tuition stratification, was identified as the alternative most consistent with the tuition and financial aid policy principles, differential tuition is also the option over which the Board of Regents retains the most control and flexibility. Therefore, the Group does not believe that significant additional restrictions on the ability to use differential tuition are advisable at this time. Nevertheless, the Group believes that the Board of Regents may want to review each previously-approved differential tuition program once every five years as well as when the purpose, rather than allocation, of a differential tuition program changes significantly.

Finally, the Group recommends that capital projects should not be funded with general, base tuition revenue, which should be retained as one of the primary sources for funding UW operations. Capital projects, which by their nature benefit can benefit generations of students, should be funded in a manner that does not detract from instructional, academic and other operational needs. One option for funding capital needs is long-term debt, which allows costs to be amortized over projects' useful lives.

Tuition Stratification

Tuition stratification refers to the difference in base tuition levels among various institutions of higher education. As applied by the University of Wisconsin System (UW System), tuition stratification refers to the difference in tuition between the three clusters of institutions (doctoral, comprehensive, and two-year colleges) within the UW System and among the individual institutions. The UW System currently uses this “among cluster” stratification, based on previously established peer institutions, when setting tuition. The UW Colleges do not have an established group of peer institutions, but a case can be made for evaluating the Colleges against the Wisconsin Technical College System (WTCS) institutions. WTCS institutions, through their college parallel programs and mandatory 30 credit general education transfer, provide an alternative for students seeking to complete their first two years of higher education.

Wisconsin Resident Undergraduate Tuition Stratification, 1978-79 to 2007-08

<u>Year</u>	MADISON	MILWAUKEE	COMPREHENSIVE	COLLEGES	WTCS Postsec. & Vocat. ¹	WTCS College Parallel
1978-79	\$712	\$712	\$620	\$610	\$270	\$450
1979-80	\$769	\$769	\$677	\$677	\$300	\$540
1980-81	\$832	\$832	\$721	\$751	\$366	\$579
1981-82	\$865	\$865	\$753	\$776	\$399	\$639
1982-83	\$994	\$994	\$836	\$836	\$429	\$660
1983-84	\$1,065	\$1,065	\$886	\$836	\$459	\$774
1984-85	\$1,150	\$1,150	\$980	\$865	\$552	\$852
1985-86	\$1,255	\$1,255	\$1,077	\$1,024	\$653	\$981
1986-87	\$1,431	\$1,431	\$1,202	\$1,153	\$738	\$1,100
1987-88	\$1,563	\$1,563	\$1,305	\$1,251	\$842	\$1,256
1988-89	\$1,679	\$1,679	\$1,363	\$1,251	\$971	\$1,386
1989-90	\$1,793	\$1,793	\$1,457	\$1,251	\$1,058	\$1,493
1990-91	\$1,882	\$1,882	\$1,528	\$1,251	\$1,106	\$1,584
1991-92	\$1,946	\$1,946	\$1,580	\$1,293	\$1,167	\$1,614
1992-93	\$2,076	\$2,076	\$1,686	\$1,380	\$1,230	\$1,644
1993-94	\$2,227	\$2,206	\$1,792	\$1,467	\$1,310	\$1,674
1994-95	\$2,415	\$2,359	\$1,916	\$1,568	\$1,383	\$1,721
1995-96	\$2,549	\$2,513	\$2,041	\$1,670	\$1,446	\$1,790
1996-97	\$2,651	\$2,639	\$2,143	\$1,779	\$1,536	\$1,931
1997-98	\$2,860	\$2,847	\$2,312	\$1,956	\$1,626	\$2,147
1998-99	\$3,001	\$2,987	\$2,426	\$2,097	\$1,710	\$2,291
1999-00	\$3,290	\$3,194	\$2,594	\$2,264	\$1,778	\$2,439
2000-01	\$3,290	\$3,194	\$2,594	\$2,264	\$1,845	\$2,577
2001-02	\$3,568	\$3,462	\$2,776	\$2,422	\$1,920	\$2,700
2002-03	\$3,854	\$3,738	\$3,000	\$2,700	\$2,010	\$2,820
2003-04	\$4,554	\$4,438	\$3,500	\$3,200	\$2,100	\$2,910
2004-05	\$5,254	\$5,138	\$4,000	\$3,700	\$2,280	\$3,090
2005-06	\$5,618	\$5,494	\$4,277	\$3,977	\$2,415	\$3,273
2006-07	\$6,000	\$5,868	\$4,568	\$4,268	\$2,610	\$3,537

¹ WTCS charges tuition on a per credit basis. The rates presented in the table are based on 15 credits per semester.

2007-08	\$6,330	\$6,191	\$4,819	\$4,268	\$2,762	\$3,741
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While these increases appear dramatic, when adjusted for inflation, tuition has increased at a much slower rate. Based upon the Consumer Price Index (CPI), tuition has increased 173.2% over the past three decades (1978-79 to 2006-07), or an average of 3.6% per year. When adjusted for the Higher Education Price Index (HEPI), however, aggregate tuition revenue has only increased 121.4% over this period, an average of 2.9% per year. In addition, much of this increase is actually attributable to the loss of state GPR support, which declined from 45.8% in 1978-79 to 24.2% in 2006-07. Appendices G, H and I present the actual and inflation-adjusted (for both CPI and HEPI) increases in state GPR, tuition, and other revenues during the period 1972-73 through 2006-07.

Prior to 2007-08, tuition at the UW Colleges was priced \$300 below the cluster or base tuition at the comprehensive institutions. Although the \$300 difference originally created a 15% difference between the comprehensives and colleges, by Fall 2007 increases in tuition had reduced this difference to 6.6%. Tuition at Wisconsin Technical College institutions, which offer students the option to complete their first or, through the college parallel program, their first two years of college, is lower than tuition at the UW Colleges. While the Board of Regents eliminated the tie between tuition at UW Colleges and the comprehensive institutions by freezing tuition at the UW Colleges in 2007-08, tuition at the UW Colleges remains higher than at WTCS institutions, which has resulted in WTCS institutions offering a lower cost option for students seeking a low-cost entry to higher education. Additional stratification between the UW Colleges and the comprehensive institutions would allow more competitive tuition pricing at the UW Colleges.

Tuition Comparison to Peer Institutions, 2007-08

Institution	2007-08 Resident Undergraduate Tuition & Fees	Median 2007-08 Resident Undergraduate Tuition & Fees at Peer Institutions	Distance UW Below Peer Median
UW Madison	\$7,184	\$9,109	\$1,925
UW Milwaukee	\$6,953	\$8,051	\$1,098
Comprehensives	\$5,741	\$6,775	\$1,034
UW Colleges ²	\$4,268	\$3,741	(\$527)

Currently, within cluster stratification exists due to the use of differential tuition at various institutions (see next section for discussion of differential tuition). The revenues generated by these differentials are designated for specific purposes at that institution, and provide funding to high priority areas that are critical for enhancing educational quality for students.

While the use of differential tuition does create differences in total student costs at various institutions, both within and among the institutional clusters, tuition stratification can also be achieved by variations in base tuition levels. Outside of the differential tuition process, base

² While the doctoral and comprehensive institutions have peers across the nation, the unique nature of the UW Colleges as a two-year, liberal arts transfer institution does not lend itself to the development of any peer institution outside of Wisconsin. Therefore, the most appropriate peer for the UW Colleges is the WTCS college parallel program, another liberal arts transfer program that provides equivalent course selection.

tuition stratification, which the Board of Regents has the authority to implement, for resident undergraduate students that generates additional revenue would need to be achieved through the biennial budget process or by seeking statutory flexibility to increase tuition. The Group considered three general options for base tuition stratification:

- using a set of peer institutions to move either the clusters or individual institutions toward the tuition midpoint of their respective peers;
- calculating the cost per student; or
- setting tuition at each institution based upon a market or demand measure.

Further stratification could be implemented within each of the three institutional clusters, with some institutions charging higher base tuition. For example, within the comprehensive cluster, higher tuition could be charged at institutions that are in high demand (market/demand-based stratification). This “within cluster stratification” could be a mechanism to generate significant revenues, as moving to the peer tuition median (peer median) for each UW System institution could generate up to \$183 million in additional tuition revenue.

Any revenues beyond the current limitations for undergraduate students would need to be achieved through the biennial budget/DIN process, by seeking a change in the statutory language regarding tuition, or by using the Board of Regents’ differential tuition authority. The Group recognizes that the additional revenues generated by tuition stratification would vary significantly by institution. Therefore, if a tuition stratification approach is chosen, the Board of Regents would need to determine how the additional systemwide revenues would be allocated among the institutions, as well as how stratification would be implemented within each institutional cluster.

If within cluster tuition stratification is not implemented gradually, the policy could cause a “sticker shock” effect among both current and potential students, potentially reducing access to higher education. A large increase in tuition without corresponding or offsetting financial aid could create a barrier to access. The Group believes, however, that stratification within the various clusters would allow the retention of some institutions as a low-cost option for students, thereby maintaining avenues of access for all students. In addition, the Group believes that a portion of any additional funds generated could be used for a variety of student support programs, including additional financial aid, which could enhance access and student success.

Pros & Cons: Tuition Stratification

Pros:

Stratification based upon cost per student

- Increasing tuition to reflect the actual cost per student for each institution would more accurately reflect UW’s costs in a period of declining state support.

Stratification based upon market or demand pricing

- Stratifying tuition would afford a market-based pricing structure. Students would pay higher tuition to attend institutions that are in greater demand.

Stratification based upon peer median

- Raising tuition to the peer midpoint allows the UW System to remain competitively priced, while better reflecting the current market for higher education.

Cons:

- Many of the comprehensive institutions draw their students primarily from the region surrounding the institution. Stratifying tuition at the comprehensive institutions could reward or punish students based upon where they live.
- If based on demand, tuition stratification could create a “second class” connotation among institutions. Students could perceive that lower cost is associated with lower quality.
- Increasing tuition without a corresponding increase in financial aid could have a negative impact on access for low-income students.

Stratification based upon cost per student

- Some of the institutions with the highest costs per student serve a nontraditional or low-income student population. Raising tuition to reflect the cost per student at these institutions could reduce access for these student populations.
- Costs are highest at small institutions which may provide fewer educational options.

Challenges:

- There is a statutory limit on the costs that are authorized to be paid from general tuition increases. This limitation could be addressed through statutory changes, DIN requests in the biennial budget process, or by using the Board of Regents’ differential tuition authority.
- Moving to the peer median for undergraduates all institutions could generate up to \$183 million. The Group felt that these increases would need to be phased-in over a period of time in order to avoid “sticker shock.”

Differential Tuition

Differential tuition is an additional tuition amount that is added to the base tuition level set by the Board of Regents to supplement services and programming for students within that institution. Differential tuition can be assessed to undergraduate students, graduate students, or both. Differential tuition can be implemented in a variety of ways, including within an individual program, on an institution-wide basis, or on a systemwide basis. Section 36.27(1)(am)6, Wis. Stats., authorizes the Board of Regents to approve differential tuition initiatives. The Board of Regents' guidelines outlining student involvement in program-specific and institution-wide differential tuition initiatives are included in Appendices B and C respectively.

The Group believes that the current process for approving differential tuition works well, and that the flexibility provided by differential tuition should be maintained and safeguarded. The Board of Regents, however, may wish to consider three options for the administration of differential tuition. First, the Board may wish to review each differential tuition program once every five years. Second, while not a common occurrence, the purpose of a differential tuition program (as opposed to the allocation of funds) can change if approved by the Board of Regents. In these instances, the Board may wish to require additional review and approval of differential tuition changes. Third, the Board does not recommend the use of tuition differentials to fund capital projects.

The revenues generated by differential tuition initiatives depend on the number of students included and size of the differential. For example, a systemwide differential equivalent to 1% of tuition would generate approximately \$6 million. Differential tuition revenues typically remain at the institution that generates the dollars, and thereby directly benefit the students paying the differential amount. In the case of a systemwide differential, the Board of Regents could decide to allocate the resources as a pool of dollars across UW System institutions, or to leave the resources at the institution that generated them. While no systemwide differential is currently in use, one example that was discussed is a systemwide differential for undergraduate educational quality. The funds generated by this differential would be distributed to the institutions to fund the enhancement of such services as libraries, advising, writing centers and the hiring of additional faculty.

The Group had some concerns regarding the use of a systemwide differential. Approving a systemwide differential could be viewed as a way to impose additional "backdoor" tuition increases that would avoid the statutory limitations on tuition increases for general operations. To address this concern, the Group believed that there would be a need for clear explanations regarding the use of these revenues, as well as consultation with the Governor and legislative leadership prior to using this option. In addition, there were concerns about the impact of differential tuition initiatives on low income students. This impact could be (and has been) minimized through use of some additional revenues for targeted financial aid.

Pros & Cons: Differential Tuition

Pros:

- All differential tuition revenues remain at the campus, and students see a direct benefit of the additional tuition they are paying.
- Provides an avenue to fund programs or functions that have not traditionally been supported by state GPR funds.
- Some revenue generated by differential tuition can be allocated to increase financial aid.
- With student involvement, differential tuition initiatives can be tailored by the campus to enhance services or programs that are a high priority to students.
- The Board of Regents has existing authority to approve differential tuition.

Program-Specific Differential Tuition

- Differential tuition is a mechanism through which programs that are inherently more expensive (engineering, for example) may generate additional revenue.
- Differential tuition can be used to expand and enhance certain niche programs that are identified as campus strengths.
- Differential tuition can be used to fund financial aid to expand access to high cost programs.

Institution-Wide Differential Tuition

- Institution-wide differential tuition costs and benefits are spread among all students.
- Institution-wide differential tuition can be used to address specific campus-wide needs that cut across various programs.
- Institution-wide differential tuition can be flexible over time. The campus, with student input and Board of Regents approval, can choose to change the areas that are funded by an institution-wide differential tuition.

Cons:

- The financial aid statutory link does not increase when a differential tuition program is implemented. No additional GPR is committed to financial aid to help students enrolled at institutions that charge a differential tuition.
- Differential tuition is designed to supplement, rather than replace, GPR funding. With the large budget reductions of the last few years, there is potential for differential tuition proposals to become replacement funding for lost GPR.
- Differential tuition rates can become administratively unwieldy as they expand across the UW System, especially in light of administrative budget reductions.
- Because differential tuition is used for multiple purposes, they have become difficult to understand and explain.

Program-Specific Differential Tuition

- Undergraduate program differentials may discourage some students from exploring programs that have an additional tuition cost. Increasing tuition for higher cost programs could be perceived as preventing Wisconsin from producing the engineers, scientists, and nurses that will be needed in order for the state to remain competitive.

Institution-Wide Differential Tuition

- When students approve a differential tuition increase on their campus, the potential arises that these same students will then speak out against a general tuition increase at the systemwide level.

Challenge:

- Approving a systemwide differential could be viewed as a way to avoid the statutory limitations on tuition increases for general operations and impose an additional “backdoor” tuition increase.
- The UW System should work with the Legislature and Governor to achieve an understanding of the needs for, and benefits of, differential tuition.

Per Credit Tuition

Under a per credit tuition program, students are charged a specific rate for each credit taken. The University of Wisconsin System currently utilizes a full-time tuition plateau model to assess tuition at all of its campuses except UW-Stout, which charges tuition on a per credit basis. At all other institutions, undergraduate students are charged per credit up to 12 credits. Between 12 and 18 credits, students pay the same tuition as a student taking 12 credits. The per credit rate is again charged for each credit over 18. As the current policy at UW-Stout indicates, the Board of Regents has the authority to implement a per credit tuition policy.

If the current per credit charges are maintained at each institution, the elimination of the tuition plateau could generate an additional \$105 million in revenues. This calculation assumes full-time undergraduate students would take an average of 14 credits per semester. In order to complete a 120 credit degree in four years, students need to take an average of 15 credits per semester. Changing to a per credit approach might discourage some students from taking enough credits to graduate in four years. This could actually increase the cost of a baccalaureate degree for some students given tuition increases over time.

A per credit approach might discourage students from taking courses outside their program, thereby reducing efforts to increase liberal education. This may have a greater impact on lower income students than others, in particular because state and federal financial aid grants would not increase for students taking more than 12 credits. These students already receive the maximum grant allowed. Those students would pay the full cost of the change themselves or through student loans.

Because the current plateau system begins at 12 credits and ends at 18 credits, many full-time students receive some “free” credits each semester. Many believe that this results in part-time students subsidizing full-time students. A move to per credit tuition would eliminate these “free” credits, eliminating this subsidy. If tuition per credit was decreased somewhat, this could increase access for part time students, including adult and returning students. However, others believe that a per credit approach would result in full-time students subsidizing part-time students. This may occur because the cost of serving part-time students is actually higher for support services as they take longer to graduate and are utilizing the university services for a longer period of time

Per credit tuition may foster greater collaboration between institutions, including joint programs and course offerings, by streamlining revenue sharing processes and eliminating questions about billing and chargebacks for courses taken by students at various institutions. Another way to achieve the same result would be to change current financial policies.

For example, one related option would be to modify the UW System undergraduate tuition plateau from 12-18 credits to 15-18 or 15-21 credits. This approach might encourage students to take more than 15 credits to receive the best value per credit. This modification could generate additional tuition revenue without affecting the per credit rate assessed to part-time students. If such a change were implemented in a revenue neutral manner, part-time tuition rates could be

reduced as a result of the additional tuition revenue generated by those full-time students taking between 12 and 15 credits. Alternatively, the plateau could be reduced to 12-15 credits, but students within the plateau would be charged for 15 credits. This pricing system would encourage students to take 15 credits per semester and graduate in four years.

The following table shows what per credit tuition at the comprehensive institutions might have looked like in 2007-08 under several different alternatives. In addition to the current 12-18 credit plateau system and the 15-21 credit plateau system discussed in the preceding paragraph, the table includes the 12-15 credit plateau system that is priced at the 15 credit level and two per credit options that exclude any tuition plateau. While the last option is revenue neutral, the other options would generate additional tuition revenue by expanding the pool of students paying the per credit rate and using the current per credit charge (not adjusted for the change in, or elimination of, the plateau).

TUITION ASSESSED PER CREDIT UNDER VARIOUS PLATEAU AND PER CREDIT OPTIONS

Credits	Current 12-18 Credit Plateau	15-21 Credit Plateau	12-15 Credit Plateau	Per Credit (Revenue Generating)	Per Credit (Revenue Neutral)
1	\$402	\$402	\$402	\$402	\$344
11	\$4,418	\$4,418	\$4,418	\$4,418	\$3,787
12	\$4,819	\$4,819	\$6,024	\$4,819	\$4,131
13	\$4,819	\$5,221	\$6,024	\$5,221	\$4,475
14	\$4,819	\$5,622	\$6,024	\$5,622	\$4,819
15	\$4,819	\$6,024	\$6,024	\$6,024	\$5,163
16	\$4,819	\$6,024	\$6,426	\$6,426	\$5,508
17	\$4,819	\$6,024	\$6,827	\$6,827	\$5,852
18	\$4,819	\$6,024	\$7,229	\$7,229	\$6,196
19	\$5,221	\$6,024	\$7,630	\$7,630	\$6,540
20	\$5,622	\$6,024	\$8,032	\$8,032	\$6,885
21	\$6,024	\$6,024	\$8,434	\$8,434	\$7,229

Pros & Cons: Per-Credit Tuition

Pros:

- Students may be more aware of the courses they are taking and the ramifications of taking additional courses on the amount they spend in tuition. This awareness could influence them to focus on completing their degree by taking as few credits as possible.
- A per credit approach might encourage greater collaboration among institutions, as students would pay for every credit taken at multiple institutions and the institutions would receive the revenues they need to support the students.
- If students take fewer credits to graduate, more access might be available to other students without additional cost.
- Per credit tuition provides a consumption-based pricing model, where students pay for each class they take.

- Revenue neutral per credit tuition, which would eliminate the tuition plateau, would enhance affordability for part-time students, who would no longer pay higher per-credit costs than full-time students. Part-time students are typically Wisconsin residents.
- Per credit tuition is easy to understand and relatively simple to administer.

Cons:

- State and federal financial aid grants would not increase for many low-income students taking more than 12 credits under a per credit model because students already receive the maximum grant allowed. Those students would pay the full cost of the change themselves or through student loans.
- Students might be deterred from taking enrichment and breadth courses outside of their degree requirements. Fine arts and exploratory courses in other departments may be affected, as well as the quality of the students' educational experience.
- Students might be motivated to enroll in fewer courses each semester to reduce immediate costs. This could lengthen time to degree and lower overall tuition revenue for UW System institutions in the short-term. It could also increase the cost of a baccalaureate degree for students.
- Students who change majors and need to take more classes to complete their major would be penalized.
- Full-time students might begin to subsidize part-time students since the cost of serving part-time students is actually higher for support services as they take longer to graduate and are utilizing the university services for a longer period of time.
- Students enrolled in degree programs requiring a higher number of credits would pay more for their degree.
- Consideration would need to be given to the impact of per credit tuition on institutions with non-standard academic calendars.

Tuition-Funded Financial Aid

Each of the three previously described policy alternatives could generate additional tuition revenue for the UW System. However, the associated tuition increases could serve to reduce access to higher education, especially for lower-income, first generation, and nontraditional students. One means of minimizing this possibility is to use a portion of the new revenues to fund additional financial aid.

State and federal governments are the primary sources of financial aid. General tuition dollars are not currently used to fund financial aid programs at UW System institutions. However, a portion of any new revenues generated by a change in tuition policy could be used by institutions to create additional financial aid flexibility. The Group recommended that, if used, this flexibility should occur within a framework that includes reporting requirements so that the financial aid provided by the institution is authorized by the Board of Regents.

Funding for Wisconsin Higher Education Grant for University of Wisconsin Students

Academic Year	Funds Expended	Total Awards	Average Award
1997-98	\$15,751,149	18,836	\$836
1998-99	\$17,470,802	18,379	\$951
1999-00	\$16,854,076	16,669	\$1,011
2000-01	\$20,947,828	17,943	\$1,151
2001-02	\$19,380,141	19,149	\$1,012
2002-03	\$22,207,989	20,505	\$1,160
2003-04	\$28,352,131	22,820	\$1,242
2004-05	\$33,713,710	26,108	\$1,291
2005-06	\$40,992,516	24,345	\$1,684
2006-07	\$43,315,582	24,685	\$1,755

The Group recognized the need to provide further financial aid to students from the lowest two income quintiles and to reduce the level of reliance on student loans, and the associated indebtedness, for all students. While students from the lowest two income quintiles comprised approximately one-third of new freshmen during the Fall 2005 semester, this is a decrease from 36.5% of new freshmen students a decade earlier. Similarly, fifty-three percent (53%) of all UW students borrowed funds to pay for their education in Fall 2005, which is a significant increase from the 41% who borrowed a decade earlier. This increase could be an indication that attaining a college degree is becoming increasingly difficult for not only low-income students, but also for students in the third and fourth income quintiles.

The Group believes that these trends indicate a need to provide additional financial aid to students attending UW institutions, with a goal of increasing access for students in the lowest two income quintiles and reducing the reliance on student loans by students in the third and fourth income quintiles. While the Group did not achieve consensus regarding the specific design of any tuition-funded financial aid program, one option that was discussed is using a portion of the new tuition funds to offset the match for financial aid required to keep the percentage increase in financial aid the same as the percentage increase in tuition. This proposal

reflects the Group's strong belief that the state must maintain its existing commitments to funding financial aid for Wisconsin residents. Therefore, any tuition-funded financial aid program must be supplemental to funding provided by the state, including current or new programs such as the Wisconsin Covenant. The Group also expressed concern that, should the UW System begin funding financial aid with tuition revenue, the state could withdraw, at least in part, from its financial aid commitments and responsibilities. Additionally, concerns were raised that such a policy may be viewed as a tuition increase on some students in order to provide financial aid to other students.

The Group suggested that an option for the UW System to consider is a change in tuition policy to allow the use of cash balances for institutional financial aid, with approval by the Board of Regents. In addition, the Group recognizes and encourages the efforts to use the leverage of the UW System to reduce the cost of student loans and the attempts to bring standardization, and secure a more favorable package of terms, to the loans available to students at UW institutions.

Finally, the Group believes that students would benefit from the adoption and implementation of financial aid policy principles. Adoption of the principles would enhance the coordination of campus policies and establish a framework and guidelines for providing financial aid in a way that enhances access and reduces the reliance on student debt to finance higher education. Therefore, the Group recommends that the UW System consider adopting the draft financial aid policy principles in Appendix D that will provide an overall vision for the development of financial aid programs and delivery of financial aid services.

Pros & Cons: Using Tuition for Financial Aid/Financial Aid for Lowest Two Income Quintiles

Pros:

- Financial aid would be less subject to state and federal budget constraints or shifting budgetary priorities. Tuition revenues would provide a steady/consistent stream of revenues for financial aid.
- Funds could be used to provide additional aid to students with unmet financial need, which might increase access and assist with retention efforts.
- Financial aid programs could be tailored by institutions to meet the needs of a greater range of students and institutions would have some financial aid flexibility to meet the needs of specific students.
- Tuition could be raised and set at "market rate" or at rate that is comparable to peer institutions, while not pricing lower-income students out of higher education.
- This approach could allow tuition to be tied to ability to pay. Students who can afford to pay a higher percentage of their educational cost would do so, and a portion of the revenues generated could be used for financial aid to provide access for students who cannot afford to pay the higher cost of an education.

Cons:

- The cost of a tuition-funded financial aid program could substantially increase over time, depending on the funding for other financial aid programs or tuition levels.

- Higher tuition could create “sticker shock” for lower income students who are unaware of grants and other financial aid and therefore may be discouraged from applying to UW institutions.
- This approach could shift the focus away from GPR-funded financial aid programs, including WHEG, toward tuition-funded financial aid. Another source of revenue for financial aid might redirect the state’s funding priority away from need-based financial aid programs, at a time when the applicant pool of students will require increasing amounts of financial aid. Similarly, with an additional source for financial aid funds, the Legislature could reduce its commitment to state-funded financial aid programs.
- Financial aid would “compete” against other programs for tuition funding, thereby adding an additional cost that must be paid by tuition dollars. This will be especially difficult during budgets when GPR funding for the UW System is reduced or held constant.
- Funding financial aid with tuition revenues would create additional pressure to increase tuition, and would reduce the ability to limit tuition increases to the rate of inflation.
- This approach would require higher income students to subsidize lower income students through higher tuition, which could cause resentment or opposition to financial aid programs or future tuition increases.
- The Legislature or Governor could seek to limit the amount of financial aid funded through tuition, thereby reducing the amount of financial aid available and pricing some students out of the market. Conversely, the Legislature or Governor could order the UW System to raise tuition in order to provide additional financial aid.
- Utilizes a private university model at a public institution.

Challenge:

- There is a statutory limit on the costs that are authorized to be paid from general base tuition (as opposed to differential tuition) increases. This could be alleviated through statutory changes or DIN requests in the biennial budget process.

Programmatic Options to Increase Affordability

The Group identified two programs that, although not tuition options, can increase the affordability of a college education for participating students and families. While the Group is supportive of these programs, they may not increase access, do not generate significant additional revenues, and would not increase services to students.

Educational Savings Program

An education savings program is generally a tax-free investment account that operates in much the same way as a Roth IRA. Individuals contribute post-tax dollars to an education savings account, which then generates interest based upon the investments selected. If used for higher education, these funds are not taxed upon withdrawal from the account, and can be used for most education related expenses, including tuition, fees, room and board, and books. While the UWS cannot offer its own educational savings account, Wisconsin residents can participate in the state-administered EdVest program, one of the best Section 529 plans, as rated by Money Magazine.

Pros & Cons: Education Savings Programs

Pro:

- The programs allow families to save tax-free to reduce the cost of a college education.
- The programs increase aspirations and expectations of higher education by providing a mechanism for financing a college education.
- The programs could reduce loans by creating incentives for individuals and families who can afford to save.

Cons:

- Investment in an education savings account does not provide any guarantee that the returns will cover the cost of college attendance.
- These programs may not benefit low-income students, who may not be able to afford to participate.
- These programs have administrative costs, as funds must be managed and individual investments monitored.

Discounts for Prepaid Tuition

Some higher education institutions offer programs that provide discounts for prepaid tuition. Prepaid tuition programs can operate in several ways. The most common model allows families to purchase a certain number of semesters of college at a set tuition rate. These semesters are guaranteed for the student, regardless of the increase in tuition. A second model allows families to purchase units that are guaranteed to increase at the same percentage as tuition. For example, if tuition is \$6,000 per year, a family can purchase a unit equivalent to 1% of tuition (\$60). If tuition increases by 5%, the unit is guaranteed to also increase by 5%. One downside of this alternative is that a 5% increase in tuition equals \$300, while a 5% increase in the unit of tuition would equal \$3. Therefore, while increasing by the same percentage, the actual dollar increase in tuition would be greater than the dollar increase in the unit of tuition. Finally, an institution could allow a student to pay for four (or multiple) years of tuition at the beginning of his or her

freshman year. In return, the student would receive a discount based upon the present value of the estimated tuition for the sophomore through senior years.

It would be possible for the UW System to generate additional revenues from a prepaid tuition discount program, provided that the prepaid funds could be invested and that the rate of return would be greater than the increase in UW System tuition or costs. Under this program, the risk of future tuition increases would be shifted from students to UW System. Should investment income fail to keep pace with costs or tuition, the UW System would be responsible for achieving the cost saving to fund this program. In addition, current state practices provide no mechanism for the UW System to offer such a program, as tuition funds (or discounted “future” tuition) cannot be invested by the UW System, and the state retains the interest generated by tuition dollars.

It is important to realize that both educational savings accounts and prepaid tuition require an initial investment, which can limit the ability of lower-income students and families to participate. Nevertheless, the Group is supportive of both of these programs, as they can reduce the cost of college attendance for those families who elect to participate.

Pros & Cons: Discounts for Prepaid Tuition

Pros:

- Provides a mechanism to assist families and students in anticipating and planning for college costs.
- Prepaid tuition programs provide protection against tuition increases.
- Could generate income if investment revenues are greater than increases in tuition/costs.

Cons:

- Under a prepaid program, the state and/or university assumes the risk of guaranteeing a rate of return that equals the increase in tuition.
- A student may not attend a participating university. While the student would receive a refund, there is no guarantee that the funds will cover the cost of attendance at a nonparticipating institution.
- Prepaid funds, including interest or returns on investments, may not cover the institution’s cost per student. Colorado, for example, is eliminating its prepaid program by not accepting any new enrollments.
- Low or moderate income students may not have the resources to take advantage of a cohort prepayment program.
- A cohort prepayment program (providing a discount for prepaying tuition for multiple academic years) could create an incentive for students to borrow large amounts from private/non-subsidized lenders at higher interest rates, hedging that tuition will increase faster than the interest accrues on the loan.
- These programs have administrative costs, as funds must be managed and future tuition increases and state funding levels estimated.

Challenge:

- The University currently does not have the authority to invest tuition revenues and realize and retain investment returns.

Other Tuition Policy Options

The Group also reviewed several alternatives that, while potentially useful in specific situations or for individual institutions or programs, may not serve as the best alternatives for a systemwide tuition policy at this time.

Cohort Tuition/Tuition Guarantee

Under a cohort-based tuition system, tuition increases are grandfathered in so that new students pay a different tuition from current students. After four years of implementation, each undergraduate class would be charged a separate tuition rate. In most cases, the cohort tuition rate is available and guaranteed for a specific period of time (four or five years) or number of credits. Under this program, the institution estimates the total amount of tuition revenue needed for the guaranteed years, and then that cost is spread evenly over a fixed period of years. Cohort tuition allows students to anticipate tuition costs and better plan how to pay for college. By allowing students to plan on a multi-year basis and avoid potentially large annual tuition increases, a fixed tuition rate could reduce the number of students who do not complete their degree (thereby increasing retention). Under a tuition guarantee framework, part-time students either receive a fixed number of credits or semesters of guaranteed tuitions, or, more frequently, are billed based upon a separate, non-guaranteed tuition schedule for part-time students only.

Similar to prepaid tuition, the UW System could generate additional revenues from a cohort tuition program if the additional funds could be invested at a greater rate of return than the increase in UW System tuition or costs. Once a cohort tuition program is fully implemented, however, it could be difficult to increase revenues, as any additional tuition revenues would only be raised from incoming freshmen and students who have exhausted their guaranteed years. This could result in large tuition increases for an incoming freshman cohort which could result in reduced access, unless corresponding/offsetting financial aid is provided.

Pros & Cons: Cohort Tuition/Tuition Guarantee

Type 1 - Guaranteed Tuition Rate with No Increase

Pros:

- A fixed tuition rate allows better financial planning for students and families by providing certainty regarding costs.
- By fixing or guaranteeing a specific rate for a limited time (4 or 5 years), cohort tuition provides an incentive to complete education and graduate faster to avoid higher new rates.
- There is the potential to reduce State support per resident degree and increase institutional capacity by shortening the time to graduation.
- The predictability of future tuition rates is particularly attractive to nonresident students who often experience large fluctuations in dollar increases when tuition rates increase.
- Implementation over 4-5 years allows institutions the ability to evaluate each cohort's effect on its revenue stream.
- By increasing tuition predictability, a cohort tuition program may enhance recruitment and enrollment growth, particularly for high tuition programs and nonresident students.

- Fixed tuition rates for certain segments of the student population will allow improved tuition revenue estimating.

Cons:

- Having three or more cohorts with a fixed tuition rate limits the flexibility of institutions to generate increased tuition revenues without significant changes in tuition rates for new cohorts or students who have exhausted their eligibility for guaranteed tuition.
- Because tuition increases only apply to the freshman cohort or those students who have exhausted their guarantee, periods of sustained high inflation or other cost-drivers could result in revenue losses for the institution or the need to add a special assessment to the guaranteed rate in out-years.
- Without a compact with the state, it will be difficult to estimate the annual impact of state legislative and gubernatorial actions on annual tuition revenue requirements.
- The limited tuition flexibility under a cohort tuition model makes it difficult to respond to serious or last minute changes in state support or legislative actions (for example, pay plan or mandated nonresident undergraduate tuition increases).
- May need to justify multiple tuition increases each year – one for continuing and non-guarantee students and one for the incoming freshman cohort (which would likely be much higher).
- Campus billing and receivable systems would need to incorporate more complex tuition schedules.
- Cohort tuition may not be equally applicable or appropriate for each of the comprehensive and doctoral institutions.

Type 2 - Guaranteed Tuition Rate with Allowable Percentage or Dollar Increase

The pros and cons for Type 2 are the same as those for Type 1 except for the following:

Pro:

- Type 2 reduces the impact of unknown future inflationary pressures on institutional tuition revenues when it is indexed for inflation or includes a specified annual increase percentage.

Con:

- Including an annual inflation adjustment tool reduces the ability of students and families to anticipate the cost of 4 or 5 years of tuition.

Separate Tuition for Level 1 (Freshman and Sophomore) and Level 2 (Junior and Senior) Students

Tuition stratification can also exist within institutions, with different tuition assessed to different cohorts of students based on student status. Generally, freshman and sophomore students are considered level 1, with junior and senior status students comprising level 2. Institutions that stratify tuition by student level typically charge lower tuition for level 1 students and higher tuition for level 2 students. This pricing strategy attempts to mimic the institutional cost per student, as level 2 students typically enroll in more specialized courses with fewer students, which therefore are more costly to conduct. Retention is higher as students continue their education, so it may be possible to implement this type of program without significantly impacting retention.

Although this option could increase access for level 1 students, the effect could be offset by the increased tuition charged to level 2 students. Higher tuition for level 2 students might discourage some adult students from returning to college to complete their degree or pursuing additional training. A level 1/level 2 pricing structure is not inherently revenue generating; however, an increase that reflects the higher costs and more specialized instruction provided to level 2 students would generate revenue. The Group expressed concerns that a level 1/level 2 pricing system would be difficult to implement or manage, as students often take courses based on when they are offered, rather than when they achieve a certain student status (level 2). A variant of this alternative would implement level 1/level 2 pricing based upon the level of the coursework rather than the student level.

Pros & Cons: Separate Tuition for Level 1 and Level 2 Students

Pros:

- Increasing tuition for level 2 students would reflect the greater cost of providing instruction to upper-division students.
- Level 2 students are eligible for more Stafford Loans than are Level 1 students, so stratifying tuition by student level could enhance access and affordability.
- This option could generate additional revenue if level 2 prices are increased.
- This pricing structure is based on a consumption model, with students paying higher prices for more specialized courses and instruction.

Cons:

- Stratifying tuition by level (level 1/level 2 students) may discourage students from continuing their studies to earn a Bachelor's Degree and prevent some adult students from returning to college.
- Under the current, general tuition schedule for all students, level 1 students, who typically have lower costs per student due to larger class sizes, subsidize level 2 student, who generally take smaller and more specialized classes that are more costly to conduct.
- Increased costs for level 2 students could encourage, or require, students to take out additional loans, thereby increasing already rising student debt loads. This could be partially offset by lower tuition for level 1, which would require lower loan amounts.
- May be difficult to administer across a university system, as students would need to be billed not only based upon part-time or full-time status, but also on their level 1 or level 2 student status or by type of classes taken.

Discounts for Families with Multiple Students Enrolled at UWS Institutions

Family tuition discount programs provide scholarships or tuition reductions for students who have a sibling or other family member concurrently enrolled at that institution. The Group found that family discounts programs are currently only used at private institutions. No comparable programs were found in use at any public institutions. Unlike most of the other options, the Group found that this option would actually impose a cost on UW System institutions, rather than generate additional revenues. Although a sibling discount program would increase access for some students, the enhanced access would come at the expense of other students, who would pay higher tuition to fund the discount. Providing a 10% sibling discount could cost more than

\$7 million per year. New sources of revenue or cost savings would therefore need to be identified in order to pay for this program. In addition, the current financial aid formula takes into account the number of siblings enrolled in higher education and uses this information to make adjustments to the Expected Family Contribution.

Pros & Cons: Discounts for Families with Multiple Students Enrolled at UW System Institutions

Pros:

- Will provide tuition assistance to families with multiple students enrolled at UW System institutions.
- May encourage siblings to enroll at UW System institutions, thereby creating a recruitment tool for both resident and nonresident students.

Cons:

- Without additional state assistance, other students (those without a sibling attending a UW System institution) would be required to subsidize this program through higher tuition.
- Will not generate additional revenues, and will have an uncertain effect on costs.
- Program is not need-based, and would be available regardless of family or student income. The funding for a sibling discount might be better targeted to increase access for students with financial need.
- Will not provide any assistance to independent or adult students.
- UW is currently less expensive than other institutions for resident students, so a sibling discount may not create an additional incentive for siblings to attend a UW institution.
- May be difficult to administer across a university system, as campuses would need to monitor and verify that siblings remain enrolled within the UW System. It may also be difficult to create an inclusive, but not overly broad, definition of sibling.

Other Administrative Options

During its discussions and research, the Group also determined that the UW System could benefit from statutory changes that would enhance the Board of Regents' effectiveness in setting tuition. Aside from general increased responsibility and authority to determine and implement general tuition policy, the Group believes that a statutory change that enables the UW System and institutions to invest any savings to generate interest earnings that could be retained by UW System would create an important incentive to find administrative and cost savings, in addition to providing an additional source of income for higher education. The Group also noted that changing refund and withdrawal fee policies and schedules, changing policies regarding concurrent student enrollment at multiple institutions, and charging per credit tuition to students taking credits at more than one institution during a semester would create administrative simplicity and potentially generate additional revenue.

Appendix A: Tuition Options Compared to Principles

Principles

- Be considered within the context of the Growth Agenda for Wisconsin with a goal of increasing the number of degree holders through improving access and student success as determined by retention and graduation rates.
- Provide affordable access and generate sufficient revenues to improve student success, including maintaining and improving educational quality.
- Be understandable and as easy as possible to implement and manage.
- Recognize political realities.
- Respect the diverse needs and missions of UW System institutions.

Tuition Options

1. Tuition Stratification
2. Programmatic Differential Tuition Programs
3. Institutional/ Systemwide Differential Tuition Programs
4. Per Credit Tuition
5. Using Tuition for Financial Aid
6. Financial Aid for Lowest Two Income Quintiles
7. Cohort Tuition
8. Separate Tuition for Level 1 (Freshman and Sophomore) and Level 2 (Junior and Senior) Students
9. Family/Sibling Discount Program

The Board of Regents has existing authority to establish the general tuition structure under ch. 36.27(1)(a), Wis. Stats. Changes to the existing structure that increases revenue would require new statutory authority or approval during the biennial budget process. The Board of Regents has the authority to award financial aid under ch. 36.11(6)(1), Wis. Stats., and to implement tuition differentials under ch. 36.27(1)(am)(6), Wis. Stats. and 20.285(1)(im), Wis. Stats.

Tuition Option	Growth Agenda: increase the number of degree holders through improved access and student success measured by retention and graduation rates.	Provide affordable access to improve student success, including maintaining and improving educational quality.	Generate sufficient revenues to improve student success, including maintaining and improving educational quality.	Be understandable and as easy as possible to implement and manage.	Recognize political realities (including the need for statutory changes).	Respect the diverse needs and missions of UW System institutions.
Tuition Stratification	Could have a mixed effect – access could be increased for some students, but tuition would increase at other institutions (which might reduce access unless additional financial aid is provided).	Not need-based. Stratified tuition rates would be assessed to all students at an institution. Could maintain or increase access if stratification produces additional revenues which can be used for offsetting financial aid.	Stratified tuition could be used to generate additional revenues for other initiatives that will increase quality. Might generate additional revenue - raising institutions to peer median for all institutions would generate \$179 million.	Once implemented, should be easy to administer. Implementation could be confusing, and current students may need to be protected against large increases. Might require periodic readjustments to reflect market conditions or other costs.	Could be politically problematic. Current students would need to be protected against large increases. There may be institutional or regional resistance to increases at some institutions, which would offset decreases at other institutions. Might be viewed as requiring students at some institutions to subsidize students at other institutions.	Tuition could be adjusted within or among the clusters to reflect the various institutional missions. Any additional revenue generated through stratification could be used to enhance programs at all institutions.
Programmatic Differential Tuition Programs	Differentials can be used to expand class sizes and implement new programs. Increased offerings can attract additional students and increase the number degrees produced in certain fields.	Higher tuition could reduce access, though effect could be minimized through use of some additional revenues for targeted financial aid. Differentials can increase course offerings and assist with faculty retention. Programmatic differentials may discourage some students from pursuing degrees in certain fields.	Revenue impact depends on the size of the differential and the number of students in the program. The recently approved differential at the UW-Madison Business School (\$1,000 per business major and \$300 per certificate student) is estimated to generate over \$2 million annually when fully implemented in 2009-10.	Programmatic differentials can be confusing for students. Programmatic differential levied on a per class basis could be difficult to administer.	As the number of differentials increase, opposition can be expected to grow. Students may not support differentials, or not in areas where additional funds are needed.	Programmatic differentials only increase costs for students who will benefit from the services, but allow increased resources to be targeted to specific areas.

Institutional/ Systemwide Differential Tuition Programs	Differentials can increase funding for retention efforts or other student support services.	Higher tuition could reduce access, though effect could be minimized through use of some additional revenues for targeted financial aid. Institutional differentials can support services such as counseling, mentoring and academic support that enhance student success and retention.	A tuition differential would generate revenue, though the impact depends on the number of students included and size of the differential. A systemwide differential equivalent to 1% of tuition would generate approximately \$6 million.	Institutional differentials are relatively simple to administer and understand.	Could be viewed as a way to impose additional “backdoor” tuition increases for general revenue rather than to support specific new or enhanced services. Difficult to distinguish between a general/regular tuition increase and a systemwide tuition differential.	Institutional or systemwide differentials can provide additional resources to special, unique or enhanced services or functional areas for all students.
Per Credit Tuition	Might encourage students to graduate quickly, as students pay tuition for every course taken. Could encourage some adults to return part-time. Other students might take fewer classes each semester in order to reduce immediate costs. Could reduce the number of classes dropped, which would increase efficiency and the number of classroom slots available for other students.	Space could become available for additional students, thereby increasing access. Could increase access, as part-time students would no longer be subsidizing full-time students. Will foster greater collaboration between institutions, including joint programs and course offerings, by eliminating questions about billing and chargebacks for courses taken by students at various institutions.	<p>The elimination of the tuition plateau could generate an additional \$105 million in revenues, assuming that full-time undergraduate students would take 14 credits per semester.</p> <p>Another option is to modify the UW System undergraduate tuition plateau from 12-18 credits to 15-21 credits. Under this system, full-time students taking 12 credits or more fall into a tuition plateau in which they are charged for 15 credits. This would generate additional tuition revenue without affecting the rates assessed to part-time students, while encouraging students to take additional credits and graduate sooner.</p>	Transition to per credit would require student/consumer education and some changes to billing/registration systems. Is generally a simple concept to explain and understand.	If implemented in a revenue neutral manner, might not engender much political opposition. Plateau system does encourage students to take additional courses and can encourage educational breadth.	Difficult to assess the impact on institutions. Might discourage students from taking courses outside their program, thereby reducing efforts to increase liberal education. Institutions would need to justify any increase in the number of required courses or credits.

			Under revenue generating per-credit tuition, UW-Madison students taking between 13 and 18 credits would see between a \$264 to \$1,600 increase in their current plateau tuition rate. At the Comprehensives, this increase would be between \$201 and \$1,200 for the same range of credits.			
Using Tuition for Financial Aid	Should increase access and support retention efforts for students with financial need.	Should increase access for students by reducing cost of attendance and/or reliance on student loans.	Additional sources of revenue, programmatic savings or tuition increases would be required to fund the program. Depending on funding levels and eligibility for program, cost could range from a few million dollars to well over \$20 million annually.	Could easily be administered along with other financial aid programs. Much depends on the model used to allocate the financial aid.	Could be viewed as a tuition increase on some students in order to provide financial aid to other students, and create resentment/resistance among students.	Would increase access to UW institutions for low-income students and could assist with diversity efforts.
Financial Aid for Lowest Two Income Quintiles	If additional costs are not passed on to students in other (top three) quintiles, should increase access and support retention efforts.	Should increase access for students by reducing cost of attendance and/or reliance on student loans.	Would have little impact on revenue; unless tuition is used to fund financial aid. Funding unmet tuition and fees for Pell Grant recipients in the lowest two quintiles would cost over \$15 million annually.	Using a specific dollar figure can create a “notch,” so that one additional dollar of income could eliminate a source of financial aid. Income might not be the best measure of a student’s ability to pay.	Support might depend on funding mechanism. If additional financial aid is not funded through tuition revenues (other students), then might be more readily supported.	Would increase access to UW institutions for low-income students and could assist with diversity efforts.

Cohort Tuition	Students will be able to anticipate tuition costs and better plan how to pay for college. A fixed tuition rate could reduce the number of students who do not complete their degree (thereby increasing retention) by allowing students to plan on a mutli-year basis and avoid potentially large annual tuition increases.	Not need-based, but rather provides broad-based, moderate assistance to all students.	Each additional percent tuition increase on freshmen students generates over \$1.2 million in additional revenue. Tuition increases that exceed costs would increase revenue. Once fully implemented, it could be difficult to increase revenue, as additional tuition revenues would only be raised from incoming freshmen and non-guarantee students.	One tuition rate for a specific period of years is simple, and cohort tuition has been implemented at multiple institutions. May be some confusion about what is guaranteed (tuition only). There may be some early administrative issues to resolve.	Since it is used at other institutions, cohort tuition could be readily accepted. Might be problematic in periods of economic stress when incoming freshman cohort face large tuition increase or a special assessment must be levied on all students. Requires ongoing, stable funding from state.	Could negatively affect revenues, since multiple cohorts have “guaranteed rates.” Large tuition increases for incoming freshman cohort could reduce access, unless corresponding/offsetting financial aid is provided.
Separate Tuition for Level 1 (Freshman and Sophomore) and Level 2 (Junior and Senior) Students	Higher tuition for level 2 students could discourage some students from completing their degree and may discourage adult students from returning to college to complete their degree or pursuing additional training.	Charging lower tuition for level 1 students will reduce costs for freshman and sophomore status students, which should increase access.	A level 1/level 2 pricing structure is not inherently revenue generating if tied to the cost per student. An increase that reflects the higher costs and more specialized instruction provided to level 2 students, without an offsetting reduction for level 1 students would generate revenue.	May be difficult to implement or manage, as students often take courses based on when they are offered, rather than when they achieve a certain student status (level 2). A per credit system could be based upon the level of the coursework rather than the student level.	Could be viewed as a tuition increase on some students in order to provide financial aid or lower tuition to other students. If implemented in a revenue neutral manner (tuition increase for level 2 students offset by reductions for level 1 students), might not engender political opposition.	Should have little impact on UW institutions, although could diminish access at institutions with large numbers of adult or returning students, who would pay higher tuition as level 2 students.

Family/Sibling Discount Program	Reduces cost for families with multiple siblings enrolled at UW institutions. Might increase the number of students from families with multiple college students. Unless program is funded by additional state resources, however, other students would see offsetting tuition increases. Discount not based on financial-need.	Will increase access for students with a sibling enrolled at a UW institution, but will likely increase costs for other students (in order to fund this program).	Will not likely generate additional revenue. Providing a 10% sibling discount could cost more than \$7 million per year. Additional sources of revenue or cost savings would need to be identified to pay for this program.	A sibling discount is easy to understand, but could be difficult to administer, as institutions would need to monitor the enrollment of siblings (possibly at other institutions).	<p>Could have a mixed political impact. Would be popular with families with multiple students enrolled at UW institutions. Might be unpopular with families with only one student attending UW, independent and adult students, all of whom could face higher tuition in order to fund the program. Might require a substantial discount in order to provide a meaningful tuition reduction.</p> <p>If implemented as a tuition remission, a family/sibling discount would require additional statutory authority.</p>	Would have little impact on UW institutions, although could diminish access at institutions with large numbers of adult or independent students (who could face increased tuition to fund the sibling discount program).
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APPENDIX B: DEFINITION OF PROGRAM SPECIFIC DIFFERENTIAL TUITION

Program specific differential tuition is defined as tuition that is added to the institution's base tuition level set by the Board of Regents for a specific program to supplement academic and other student services above and beyond existing activities supported by GPR and PR funding. This definition does not apply to Board of Regents initiated program specific differential tuition initiatives.

PROGRAM SPECIFIC DIFFERENTIAL TUITION PROCEDURES

1. Students will be advised through their student government organizations of all planned program specific differential tuition initiatives before proposals are submitted to the Board of Regents.
2. To the extent possible, UW System institutions will consult with students directly affected by proposed program specific differential tuition initiatives which affect solely a single campus.
3. When student involvement is required, program specific differential tuition proposals presented to the Board of Regents will include a section on the student consultation process and outcome, as well as any official stance forwarded by the student government organization.
4. Program specific differential tuition proposals must clearly state their purpose(s) established by the institution in conjunction with students (if required) when brought forth to the Board of Regents.
5. Program specific differential tuition proposals must describe any oversight, evaluation, and/or consultation process for the initiative. The format of this oversight, evaluation, and/or consultation process will be part of the discussion with students prior to bringing the initiative to the Board of Regents for approval.
6. The Chancellor of the UW System institution, in consultation with the President of the UW System, will make the final determination whether a program specific differential tuition initiative is submitted to the Board of Regents for approval.
7. Systemwide program specific differential tuition initiatives approved by the Board of Regents do not require student involvement.
8. Spending decisions related to the funds generated by the program specific differential tuition are ultimately the responsibility of the Chancellor of the UW System institution as indicated in s. 36.09 (3) Wis. Stats.

APPENDIX C: DEFINITION OF INSTITUTION-WIDE DIFFERENTIAL TUITION

Institution-wide differential tuition is defined as tuition that is added to the base tuition level set by the Board of Regents to supplement services and programming for students within that institution above and beyond existing activities supported by GPR and PR funding. This definition does not apply to Board of Regents initiated institution-wide differential tuition initiatives.

INSTITUTION-WIDE DIFFERENTIAL TUITION PROCEDURES

1. Students will be advised through their student government organizations of all planned institution-wide differential tuition initiatives before proposals are submitted to the Board of Regents.
2. Institution-wide differential tuition proposals presented to the Board of Regents will include a section on the student consultation process and outcome, as well as any official stance forwarded by the student government organization if one has been provided. Institutions should attempt to provide adequate time for the student government organization to review the final proposal.
3. Institution-wide differential tuition proposals must clearly state their purpose(s) established by the institution in conjunction with students when brought forth to the Board of Regents. The institution may change the purposes for which the funding is expended with student consultation.
4. Institution-wide differential tuition proposals must describe any oversight, evaluation, and/or consultation process for the initiative. The format of this oversight, evaluation, and/or consultation process will be part of the discussion with students prior to bringing the initiative to the Board of Regents for approval.
5. The Chancellor of the UW System institution, in consultation with the President of the UW System, will make the final determination whether an institution-wide differential tuition initiative is submitted to the Board of Regents for approval.
6. Student involvement is not required for institution-wide differential tuition approved by the Board of Regents as part of a Board initiative or as part of the biennial budget process.
7. Spending decisions related to the funds generated by the institution-wide differential tuition are ultimately the responsibility of the Chancellor of the UW System institution as indicated in s. 36.09 (3) Wis. Stats.

APPENDIX D:

Statement of Support for Draft Financial Aid Policy Principles

The Working Group believes that the administration of the various federal, state, institutional and other financial aid would be aided through the implementation of a coherent, overall vision for financial aid programs that emphasizes increased access to UW for all Wisconsin residents. In addition, guidelines for the development of new financial aid programs and practices will ensure that assistance will be provided in an effective and efficient manner that attracts students and ensures degree completion. Finally, the Working Group recognizes that a financial aid policy will assist administrators and staff in providing support, advice and services to students regarding financial aid.

Therefore, the Working Group supports the following draft “University of Wisconsin System Financial Aid Policy Principles”:

University of Wisconsin System Financial Aid Policy Principles

- I. Socio-economic diversity is critical to the mission of the UW System because it enhances the learning environment for all students, bolsters state economic growth, and fosters an educated citizenry across all demographic lines.
- II. Student recruitment, retention, and degree completion is most successful when financial barriers are eliminated. High unmet financial need undermines the expectations and plans of both low- and moderate-income students.
 1. The responsibility to cover a student’s cost of attending a UW institution should be based on the student’s and his/her family’s ability to pay. Since lower income families often have a need for financial assistance, the UW System should meet this financial need through a combination of grant, work, and loan assistance.
 2. The financial aid processing system should be efficient and timely in order to provide the most effective stewardship of the funds.
 3. Student loan debt should remain reasonable so that students in the UW System are not limited in their options of major, post-graduate education, and career choice.
 4. Although adequate need-based grant aid remains the top priority, scholarship programs serve as another important source of financial assistance as it recognizes talent and encourages and rewards the academic effort of students.
- III. It is essential to provide the 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.

Development of financial aid strategies to assist low-income families should endorse and foster the achievement of these UW System Financial Aid Policy Principles.

APPENDIX E:

Statement of Support for Bridge Grant/Covenant Program

The Working Group recognizes that a significant and growing number of UW students have unmet financial need and are increasingly financing their college education with student loans. In 2005-06, 69% of resident undergraduate students received financial aid, which is an increase from 53% in 1995-96. Similarly, the number of students who borrowed to finance their college education increased from 40% in 1995-96 to 53% in 2005-06. Finally, the percentage of resident undergraduates who graduated with student loan debt increased from 57% in 1995-96 to 66% in 2005-06, with the average debt increasing 26% (using inflation-adjusted dollars).

These borrowing and debt levels demonstrate that many students are struggling to finance their college education. These figures do not, however, reflect either those students who leave UW because they cannot afford to remain in school or those students who never enroll in higher education because they see the costs as insurmountable. Therefore, for far too many students, a college education appears too expensive to be within reach and therefore remains only a dream.

Recognizing these facts and with the expectation that the state will continue to uphold its commitment to students through existing financial aid programs, the Working Group supports and encourages full state funding for the following:

- A program similar to the Wisconsin Covenant that would meet all student financial need for those students who complete the program requirements;
- A program that would hold an identified segment of financially needy students harmless against tuition increases for a period of years; and
- A temporary program that would assist students currently enrolled in high school or college who would therefore not be eligible for a Covenant-type program.

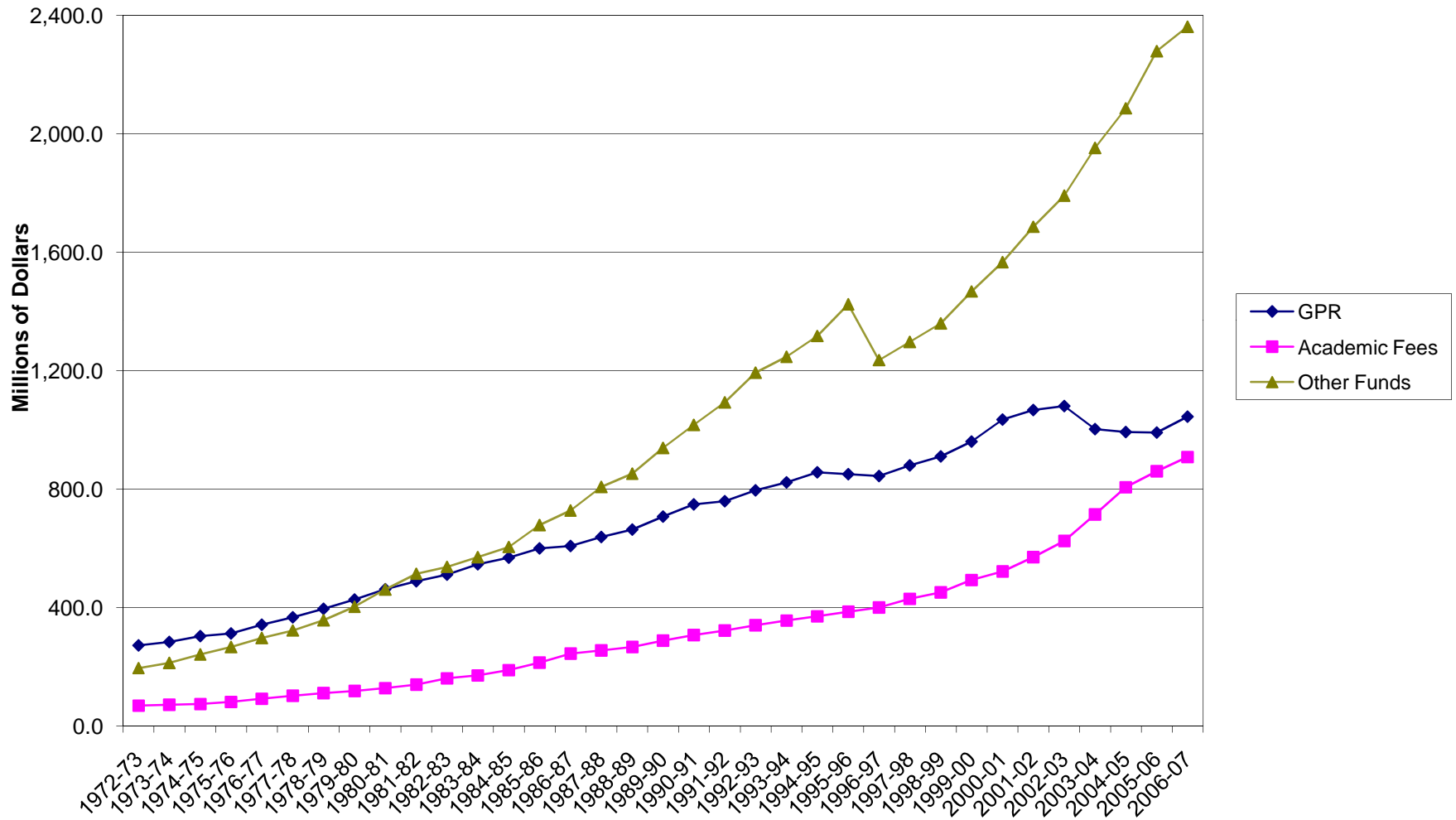
APPENDIX F:
UNIVERSITY OF WISCONSIN SYSTEM

TUITION POLICY PRINCIPLES

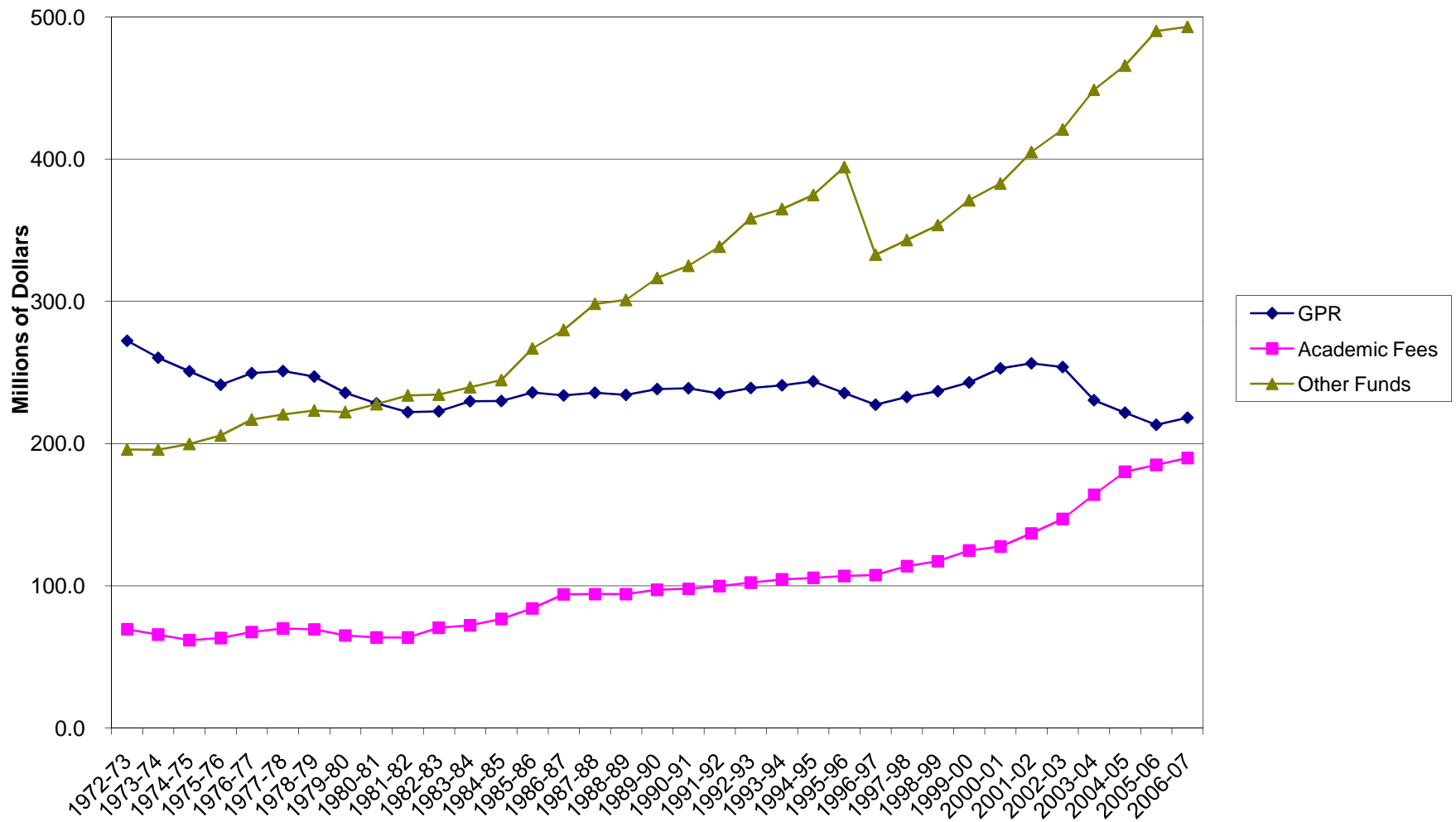
Board of Regents
GUIDING PRINCIPLES

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

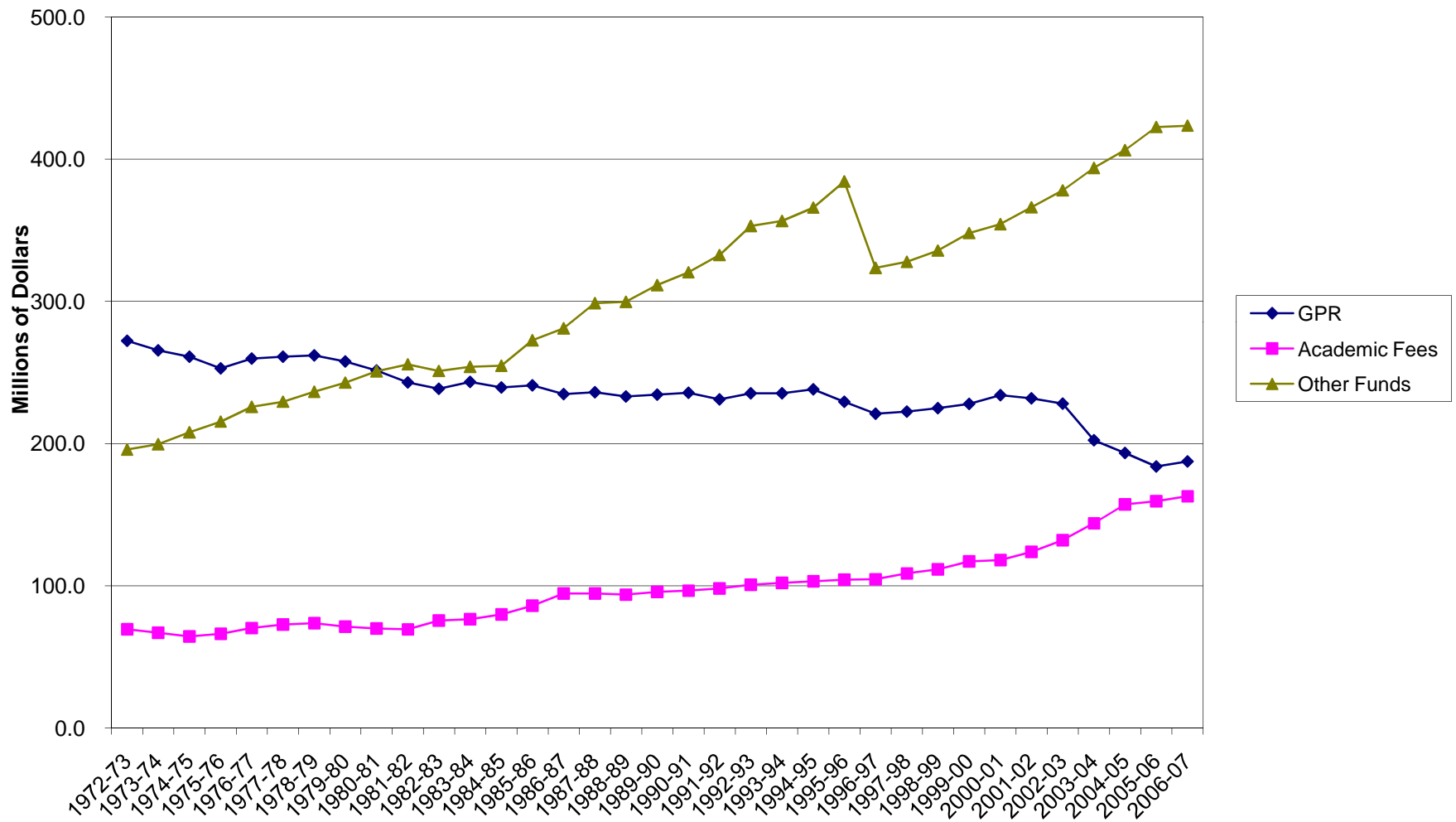
Appendix G - UW System GPR, Fees and Other Funds 1972-73 to 2006-07



**Appendix H - UW System GPR, Fees and Other Funds
Adjusted for Changes in the Consumer Price Index (CPI) 1972-73 to 2006-07**



**Appendix I - UW System GPR, Fees and Other Funds
Adjusted for Changes in the Higher Education Price Index (HEPI) 1972-73 to 2006-07**



TUITION AND FINANCIAL AID POLICY ADVISORY GROUP MEMBERS

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Michael Falbo	Board of Regents Member	
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Rita Cheng	Provost & Vice Chancellor	Milwaukee
Andy Richards	Director, Business & Financial Services	Milwaukee
Kathleen Sahlhoff	Financial Aid Director	Eau Claire
Petra Roter	Chief Student Affairs Officer	Oshkosh
Randall McCready	Financial Aid Officer	Parkside
Kristen Hendrickson	Budget Director	River Falls
Charles Hurt	Provost	River Falls
Joseph Eggers	Student	River Falls
Bob Tomlinson	Vice Chancellor/Chief Student Affairs Officer	Stevens Point
Diane Moen	Vice Chancellor/Chief Business Officer	Stout
Christopher Markwood	Provost	Superior
Paul Sanchez	Student	Whitewater
Steve Wildeck	Vice Chancellor/Chief Business Officer	Colleges
Debbie Durcan	Vice President for Finance	UW System
Freda Harris	Associate Vice President for Budget & Planning	UW System
Sharon Wilhelm	Interim Associate Vice President for Policy Analysis & Research	UW System
<u>UW System Staff</u>		
Doug Hendrix	Associate Vice President - Finance Administration	
Lynn Paulson	Assistant Vice President - Budget & Planning	
Mike Kraus	Special Assistant - Finance	
Sue Michalek	Senior Institutional Planner - Office of Policy Analysis & Research	
Kris Frederick	Budget & Policy Analyst - Budget & Planning	
Chris Goss	Budget & Policy Analyst - Budget & Planning	
Erin Hintz	Budget & Policy Analyst - Budget & Planning	
Bob Jokisch	Special Assistant to the Senior Vice President of Academic Affairs	

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.3. Physical Planning and Funding Committee

Thursday, March 6, 2008
Van Hise Hall
1220 Linden Drive
Madison, Wisconsin

9:00 a.m. Physical Planning and Funding Committee – Room 1920 Van Hise Hall

- a. Approval of the Minutes of the February 7, 2008 Meeting of the Physical Planning and Funding Committee
- b. UW-Madison: Authority to Exchange Land with the Wisconsin Alumni Research Foundation
[Resolution I.3.b.]
- c. UW-Whitewater: Approval of the Design Report, Authority to Adjust the Project Scope and Budget, and Construct the Residence Hall Project
[Resolution I.3.c.]
- d. UW System: Authority to Construct All Agency Maintenance and Repair Projects
[Resolution I.3.d.]
- e. Report of the Associate Vice President
 - 1. Building Commission Actions
- x. Additional items which may be presented to the Committee with its approval
- z. Closed session for purposes of considering personal histories, as permitted by s.19.85(1)(f), *Wis. Stats.*, related to naming of a facility at UW-Superior.

10:00 a.m. Board of Regents – Room 1820

- Discussion of the Role of the UW Colleges

12:00 p.m. Box Lunch

12:30 p.m. – 2:30 p.m. – Board of Regents – 1820 Van Hise Hall

- Report of the Tuition and Financial Aid Working Group

2:30 p.m. – 3:30 p.m. – Board of Regents – 1820 Van Hise Hall

- Additional Business

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

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

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.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2008

1. Institution: The University of Wisconsin-Madison
2. Request: Authority 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.
3. Description and Scope of Project: The approximately 1/3 acre property, known as the "1200 Block Parcel" is located at the northeast corner of Campus Drive and North Orchard Street immediately south of the Service Building Annex and west of Brogden Hall (Psychology). The parcel currently contains an electrical substation, a boiler stack, structural appendages to the south side of the Service Building annex, and a surface parking lot.

The property to be acquired by WARF and transferred to the Board of Regents will be within the development boundary of UW-Madison. The value of the university's assets will be derived from an average of two appraisals established for the 1300 block of University Avenue which was used for other recent land transfers. The value of the WARF assets will be based on the purchase price of the acquired properties plus the transaction costs.

After receiving the property, WARF will construct and own facilities comprising two functional components: an at-grade receiving dock and an underground vivarium. The total building area is 22,400 GSF. The net assignable area associated with the receiving dock is 3,500 ASF. The net assignable area associated with the vivarium is 8,500 ASF.

Site preparation will occur prior to the land transfer and include the demolition of the boiler stack base and other structural appendages on the south side of the Service Building Annex. To clear the site, demolition of an electrical substation will occur as a separate project prior to construction.

On the "1200 Block Parcel," a receiving driveway will provide access from Campus Drive. Thirty parking spaces will be provided for Division of Facilities Planning and Management service vehicles. A landscape buffer along North Orchard Street and Campus Drive will screen the view of delivery and service vehicles.

The enclosed receiving dock facility will serve the Wisconsin Institutes for Discovery and the Service Building Annex with four service bays. A service tunnel crossing North Orchard Street will provide access to the Wisconsin Institutes for Discovery facilities located on the 1300 Block of University Avenue.

The service tunnel will be utilized by researchers to access the vivarium. Card-access security devices at all exterior doors, stairway doors, elevator stops, and the vivarium entrance will provide multiple layers of security for the vivarium and limit access to the receiving dock.

UW-Madison and WARF will develop an agreement to cover the operations and maintenance of both the vivarium and the loading dock to support the Wisconsin Institutes for Discovery and campus activities.

4. Justification of the Request: In 2005, the legislature enumerated the Wisconsin Institutes for Discovery project at a total estimated budget of \$150,000,000 (\$100,000,000 Gifts/Grant Funds and \$50,000,000 General Fund Supported Borrowing) to strengthen the state's leadership position in science and technology and to promote the state economy with new jobs and investments.

Selecting the site east of North Orchard Street permits an improved and expanded loading/service facility for both the institutes and the university's Physical Plant. Accommodating both needs at this single site results in a much improved and cost effective facility. It also allows the Wisconsin Institutes for Discovery building to be designed with four attractive exterior sides and no visible exterior loading facility.

The vivarium will be constructed to permit future underground expansion to the north and/or the east. Eventually, the underground vivarium could be expanded to encompass the entire block, thereby providing an attractive option for a core vivarium to serve the central campus area.

5. Budget: Not applicable.

6. Previous Action:

April 07, 2006
Resolution 9167

Granted authority to:(a) exchange a portion of Board of Regents-owned property on the UW-Madison campus for strategic properties of equivalent value located within the UW-Madison development boundary to be acquired by the Wisconsin Alumni Research Foundation (WARF); and (b) request a waiver of s.16.855 under the provisions of s.13.48 (19) to enter into the necessary agreements with the Wisconsin Alumni Research Foundation to develop and construct the Wisconsin Institute for Discovery (WID) and the Morgridge Institute for Research, with enumerated WID funds of \$19,000,000 General Fund Supported Borrowing (2005-07),

\$31,000,000 General Fund Supported Borrowing (2007-09), and up to \$100,000,000 enumerated Gift and Grant Funds (2005-07) with the following provisions:

(1) General Fund Supported Borrowing for the public research institute will not exceed the \$50,000,000 enumerated in the 2005-07 Capital Budget; and,

(2) WARF will be required to contract with a construction manager who will bid out all of the work included in the project.

(3) The State of Wisconsin, the Board of Regents and WARF will develop and execute the necessary agreements including the following:

- Master Term Sheet detailing project costs and terms including a guaranteed maximum price specifying an amount not to exceed \$50,000,000 GFSB funding for the public research institute; and
- A development agreement specifying the terms and conditions of the construction of the public institute for the university by WARF.

(4) The Board of Regents and WARF will develop a Land Use Agreement to permit WARF to construct the public institute on university property.



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

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

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).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2008

1. Institution: The University of Wisconsin-Whitewater
2. Request: Approval of the Design Report of the New Residence Hall project and authority 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).
3. Description and Scope of Project: This project provides for the construction of a 446-bed 130,600 ASF/197,200 GSF residence hall that will replace Sayles Hall and White Hall. The targeted occupants of this new hall will be juniors, seniors, and graduate students. The project will replace approximately 165 parking spaces displaced by construction of this new building. The new hall will have a basement and five floor levels consisting of two wings each with shared public support spaces and a common main entry. The residence hall will be sited, developed, and operated to maximize resource conservation and minimize negative environmental impact. A LEED Silver certification rating will be sought for this project. Thirty-eight resident bedrooms will meet ADA residential access requirements.

The selected site is at the southeast corner of Prince Street and Starin Road, bounded on the east by Carter Mall and on the south by Carlson Hall. The site's proximity to the academic core of the campus will provide an ideal location for adult learners who attend summer camps and conference programs on the campus. The site is currently used as Parking Lot 3, which is a 283-stall commuter parking lot.

The student living units in the new hall are configured with single occupancy bedrooms in suite-style arrangements. Each suite will include four bedrooms; a common area; a kitchenette with a sink, a microwave, and a refrigerator; and a bathroom. The building will also contain a front desk/main lounge area and other student support facilities. The basement will include a laundry room, a multipurpose/TV room, and storage rooms.

4. Justification of the Request: Sayles Hall, which was constructed in 1962 as a traditional residence hall was demolished in May of 2007 to make way for the new College of Business and Economics (COBE) building. This resulted in a loss of capacity of 202 residents. White Hall, which is similar in age and configuration, was recently taken offline as a residence hall and temporarily reprogrammed as office space for faculty of the College of Letters and Sciences. This resulted in an additional loss of 198 resident spaces. The

faculty will eventually relocate into Carlson Hall after a future remodeling project and White Hall will be demolished.

The upper-division students have expressed a strong preference for suite-style living accommodations that offer private bedrooms, semi-private bathrooms, and a kitchen and living area. Students have also indicated that the accommodation of disabled friends and visiting family members is important to them.

The increase in scope and budget is to restore the parking spaces displaced by the building site. The campus originally planned to request a separate project to construct the parking stalls that will be lost. Because of the proximity to the building, storm water, and other site concerns, the replacement parking should be added to this project.

Fee Impact: This project will be primarily paid by and operated through room rental rates that are charged to students who choose to live in the units. Preliminary projections of academic year room rates for students living in the suites are estimated at \$4,518/year (\$2,259 per semester). The projected room rate for double occupancy rooms on campus during the same time frame is \$3,054/year (\$1,527 per semester).

5. Budget and Schedule:

Budget	Cost
Construction	\$29,225,000
Contingency	2,067,000
A/E Fee	2,307,000
Other Fees	227,000
DSF Management Fee	1,256,000
Moveable & Special Equipment	1,687,000
Percent for Art	91,000
Total Project Cost	\$36,860,000

6. Previous Actions:

August 17, 2006
Resolution 9225

Recommended that the New Residence Hall Project be submitted to the Department of Administration and the State Building Commission as part of the UW System 2007-2009 Capital Budget at an estimated total project cost of \$33,300,000 Program Revenue Supported Bonding. The project was subsequently enumerated at \$35,728,000 Program Revenue Supported Borrowing.

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

PHYSICAL PLANNING AND FUNDING COMMITTEE

Resolution:

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).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for Board of Regents Action March 2008

1. Institution: The University of Wisconsin System
2. Request: Authority 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).

FACILITIES MAINTENANCE & REPAIR

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	PR CASH	GIFT/GRANT	Z450	TOTAL
MSN	08B2W	Camp Randall S. Endzone Maint	\$ 163,600	\$ -	\$ 109,100	\$ -	\$ -	\$ 272,700
RVF	08B2U	Stratton Hall Ext Window Repl	\$ -	\$ -	\$ 538,000	\$ -	\$ -	\$ 538,000
FM&R SUBTOTALS			\$ 163,600	\$ -	\$ 647,100	\$ -	\$ -	\$ 810,700

PROGRAMMATIC REMODELING & RENOVATION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	PR CASH	GIFT/GRANT	Z450	TOTAL
MSN	08B2V	Mem Union Coffee House Rmdl	\$ -	\$ -	\$ 551,000	\$ -	\$ -	\$ 551,000
PR&R SUBTOTALS			\$ -	\$ -	\$ 551,000	\$ -	\$ -	\$ 551,000

	GFSB	PRSB	PR CASH	GIFT/GRANT	Z450	TOTAL
MARCH 2008 TOTALS	\$ 163,600	\$ -	\$ 1,198,100	\$ -	\$ -	\$ 1,361,700

3. Description and Scope of Project: This request provides maintenance, repair, renovation, and upgrades through the All Agency Projects Program.

Facilities Maintenance and Repair Requests

MSN - Camp Randall Stadium South End Zone Maintenance (\$272,700): This project will repair water leaks in the south end zone bleachers section to protect building finishes and the retail merchandise located underneath the seating areas.

This project will also apply a waterproofing system to the precast concrete seating areas in south end zone sections. Project work will include removal and replacement of the aluminum bleachers, pressure washing and preparation of the precast concrete surfaces, removal and repair and/or replacement of the joint sealants, application of a waterproofing membrane system, installation of custom fabricated metal expansion joint covers, and minor repairs to finished spaces underneath.

The south end zone precast seating area was not waterproofed during the renovation of Camp Randall Stadium. Structural consultants specified an application of joint sealant and caulk to prevent water penetration below. Unfortunately, the caulk failed and was repaired on numerous occasions since completion of the stadium renovation. In the spring and summer of 2007, the caulk failed once again causing continuous water damage to occupied areas beneath the south end zone. During these heavy rains, the retail store experienced significant water damage, which resulted in extensive ceiling and merchandise damage. The water penetration has been an ongoing problem since the store was opened three years ago. Concession stands, storage areas, locker rooms and ticket office vault under the south end zone are water damaged due to caulk failures. The condition will continue to worsen until a permanent waterproofing solution is implemented.

RVF - 08B2U - Stratton Hall Exterior Window and Floor Tile Replacement (\$538,000):

This project will replace all exterior windows and a store front entryway to address energy conservation problems associated with the original units. This project will also replace all vinyl asbestos floor tile to address aesthetic and maintenance condition problems.

This project will remove and replace all 135 exterior window units and one store front assembly. The new, heavy duty aluminum frame window systems have one inch, low-e insulating glass. All sliders with access from grade level must include security screens. All other sliders must include insect screens. Because the window trim is integral to the window seat and desk assembly that is built into each residence room, the work will include replacement of the laminate window seat/desk top, re-facing of the window seat and desks, and replacement of the radiation heating covers. This project will also include abatement, removal, disposal, and replacement of approximately 16,000 SF of vinyl asbestos floor tile with new vinyl composition tile.

The window units are all original to the facility, which was constructed in 1957. Due to their age and heavy usage, the windows are worn out and they constantly require maintenance. The nylon rollers are worn, causing the panes to slide directly on the metal guides. Window panes come off their tracks, creating safety concerns for residents as well as energy leaks. Replacement parts for these windows are no longer available, and fixing them has become increasingly difficult and repetitive. The windows have exceeded their life expectancy and replacement is the most economical solution to the continual problems caused by the poor condition of the windows. The original floor tile is worn out and needs to be replaced.

This project is part of an on-going maintenance program designed to extend the useful life of the nine residence halls on campus. Other residence halls maintenance projects will include repair, replacement or upgrades of electrical, heating, ventilation, and plumbing systems; restroom renovations; window and roof replacements; masonry repairs; repair or replacement of locks, doors and hardware; and aesthetic improvements of floor, wall, and ceiling finishes. Annual building condition assessment reports are evaluated to determine the most critical deferred maintenance problems and to identify associated projects that can be remedied over the course of a single summer.

Programmatic Remodeling and Renovation

MSN - 08B2V - Memorial Union Coffee House Remodeling (\$551,000): This project will create a dedicated coffee house operation to address student surveys and peer review findings. All building services will be renovated and sized to accommodate the new coffee house, and if possible, the mechanical systems will be sized to include the deli operation.

This project will convert the former STA Travel office into Peet's Coffee & Tea venue and renovates the adjacent restrooms. The design solution includes secure entryways, room finishes as per vendor specifications, adequate electrical and plumbing services to brewing and dispensing equipment, and a new air handling unit connected to campus central steam and chilled water utilities. The small mezzanine room may need to be removed to accommodate the new air handling unit.

Recent student surveys and a peer review identified a dedicated coffee house operation as the highest priority. Establishing a dedicated coffee house operation provides a service not currently met in the union and should assist in fostering campus community development.

4. Justification of the Request: UW System Administration and the Division of State Facilities continue to work with each institution to develop a comprehensive campus physical development plan, including infrastructure maintenance planning. After a thorough review and consideration of approximately 450 All Agency Project proposals and over 4,500 infrastructure planning issues submitted, and the UW All Agency Projects Program funding targets set by the Division of State Facilities (DSF), this request represents high priority University of Wisconsin System infrastructure maintenance, repair, renovation, and upgrade needs. This request focuses on existing facilities and utilities, targets the known maintenance needs, and addresses outstanding health and safety issues. Where possible, similar work throughout a single facility or across multiple facilities has been combined into a single request to provide more efficient project management and project execution.

5. Budget:

General Fund Supported Borrowing	\$ 163,600
Program Revenue Cash.....	<u>1,198,100</u>
Total Requested Budget \$	1,361,700

6. Previous Action: None.

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

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Vice President - Charles Pruitt

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The Regents President and Vice President serve as ex-officio voting members of all Committees.

**Board of Regents of
The University of Wisconsin System**

Meeting Schedule 2008

February 7th and 8th, in Madison

March 6th, in Madison

April 10th and 11th, at the Pyle Center, Madison
(Hosted by UW Colleges and UW-Extension)

June 5th and 6th, at UW-Milwaukee

August 21st and 22nd, in Madison

October 2nd and 3rd, at UW-Stevens Point

November 6th, in Madison

December 4th and 5th, at UW-La Crosse