Board of Regents of the University of Wisconsin System
Office of the Secretary

1860 Van Hise Hall
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Madison, Wisconsin 53706
(608)262-2324

DATE: December 9, 2009 ***REVISED***

TO: Each Regent

FROM: Jane S. Radue JSR

PUBLIC MEETING NOTICE

RE: Agendas and supporting documents for meetings of the Board and Committees to be held at UW-Madison Memorial Union, Madison, Wisconsin 53706 on December 10 & 11, 2009.

Thursday, December 10, 2009

11:00 a.m. All Regents – Memorial Union, Main Lounge, 2nd Floor Central

- Presentation by UW-Madison Chancellor Carolyn "Biddy" Martin: A World-Class Research University – For Wisconsin and the World

12:00 p.m. Lunch – Memorial Union, Great Hall, 4th Floor Central

1:00 p.m. Joint Meeting of the Capital Planning and Budget Committee and the Business, Finance & Audit Committee
Memorial Union, Class of '24 Reception Room, 4th Floor East Wing

1:00 p.m. Education Committee
Memorial Union, Main Lounge, 2nd Floor Central

2:00 p.m. Business, Finance & Audit Committee reconvene
Memorial Union, Class of '24 Reception Room, 4th Floor East Wing

2:00 p.m. Capital Planning & Budget Committee reconvene
Memorial Union, Inn Wisconsin East & West, 2nd Floor East Wing

Friday, December 11, 2009

9:00 a.m. Board of Regents meeting, Memorial Union, Main Lounge, 2nd Floor Central

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 and should be made in advance of the meeting, to the Secretary of the Board at the above address.

Persons with disabilities requesting an accommodation to attend are asked to contact Jane Radue 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/ on Thursday, December 10, 2009 at 11:00 a.m. until approximately 12:00 p.m., and Friday, December 11, 2009 at 9:00 a.m. until approximately 12:00 p.m.

QUALITY, AFFORDABILITY AND DIFFERENTIAL TUITION

BACKGROUND

The UW System is committed to providing Wisconsin citizens with access to affordable, high quality educational opportunities. In the absence of sufficient state resources, differential tuition initiatives have played a key role in providing or maintaining margins of excellence as well as much needed student services that otherwise would not be available. This document is intended to highlight steps that have been taken to maintain the affordability of a UW education and provide background on the use of differential tuition as a tool to promote quality. It includes information on current policies and poses a number of questions that the Board may want to consider as it evaluates the efficacy of the current differential tuition policy.

Tuition and Financial Aid Workgroup Report

In March 2008, the Tuition and Financial Aid Workgroup presented its report to the Board of Regents. That presentation focused on an exploration of various tuition options to improve quality, along with recommendations for financial aid policy changes to improve affordability.

Comparing the UW System's tuition policies to several alternatives, the Workgroup concluded that current approaches were working well. However, the group also cautioned that the University is facing new challenges associated with the need for expanded enrollments that are not always supported by commensurate increases in State funding. This underscored the importance of exploring additional ways to stabilize funding and sustain educational quality without diminishing access.

The 2008 report showed that UW System tuition for resident undergraduate students is well 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 public/private investments in financial aid, Wisconsin remained a "low aid" state.

Affordability consists of a combination of tuition, room and board costs, financial aid, and family ability to pay. In Measuring Up 2008, Minnesota is ranked higher than Wisconsin in affordability even though its tuition is higher because the state's investment in financial aid is very high when compared with top performing states. On the other hand, Iowa is ranked lower than Wisconsin even though its tuition is lower because the total cost of attendance (tuition, room and board) are higher and require a larger share of family income on an annual basis.

Need-Based Financial Aid

The UW System has worked diligently to increase public and private need-based aid.

Two years ago the UW System set a goal of doubling private need-based aid. In 2006-07, UW System institutions provided $5.9 million in private need-based aid. For the 2009-10, it is estimated that the UW System will provide $17.5 million in non-federal and non-state need-based aid, almost tripling the amount provided three years ago.

The Board of Regents has consistently supported and requested additional funding for its largest state funded financial aid program, Wisconsin Higher Education Grant-UW (WHEG-UW), by requesting funding increases greater than the percentage increase in tuition, and requesting funding sufficient to provide dollar-for-dollar increases in WHEG-UW awards to offset any increases in tuition.

This strong advocacy for need-based financial aid has resulted in significant increases in funding for the WHEG-UW program. Over the past ten years (from 1999-00 to 2008-09), the WHEG-UW budget increased by 191%, from $18.9 million to $55 million; over 10,000 more students annually receive a WHEG-UW award (27,162 in 2008-09 versus 16,669 in 1999-00); and the average WHEG-UW award doubled, from $1,011 to $2,024.

UW System's Plateau Tuition Discount

The UW System has long had a plateau tuition policy that charges students taking 12 to 18 credits the same tuition rate. This remains the case at every UW System institution except UW-Stout. This policy provides a considerable financial incentive for students to take more credits each semester, enabling students to accumulate the credits required for graduation faster and at a lower cost, compared to those who take 12 or fewer credits per semester.

The plateau tuition policy allows students to take up to six additional credits each semester at no additional cost to the student. This provides a significant financial incentive for students to take more credits each semester, thereby accelerating their progress towards completing a degree. For most undergraduate programs that require 120 credits of coursework, students need to take an average of 15 credits per semester to graduate in four years. Currently, about 29% of UW System students graduate in four years.

A student taking an average of 15 credits per semester will pay 20% less in tuition and fees alone for a 120 credit degree than a student taking 12 credits per semester.

The Story……

Three students embark on their collegiate careers at UW-Stevens Point in 2009-10 and all eventually complete a 120 credit degree. The first student takes advantage of the tuition plateau by completing 15 credits per semester, and graduates in four years. The second student does not take advantage of the plateau, completes 12 credits in each semester, and finishes in five years. The third student completes an average of ten credits per semester, and graduates in six years. The first student saves between $8,000 and $9,000 in tuition and fees compared to the others, and between $7,000 and $15,000 in room and board charges. In addition, the first student gets into the workforce earlier.

Three UW-Stevens Point Students Graduating with 120 Credits

	The 4 year graduate completes 15 credits per semester	The 5 year graduate completes 12 credits per semester	The 6 year graduate completes 10 credits per semester
Tuition and Fees Paid	$27,765	$35,686	$36,703
Additional Tuition/Fees Paid		7,921	8,938
Additional Room/Board Paid		6,952	14,287
Total Additional Amount Paid		$14,873	$23,225

4 Year Discount (4 vs. 5 Years) = **$14,873**
4 Year Discount (4 vs. 6 Years) = **$23,225**

To encourage more students to take full advantage of the tuition discount available through the current tuition plateau, the UW System is planning to develop and market the UW System Discount Initiative. The discount initiative would involve developing a template for attaining a degree in 4 years where possible, allowing students to have a clearly defined path to their degree. While this would not apply to degrees requiring more than 120 credits, such a resource might allow more students to make informed decisions about their course load and scheduling choices, in ways that may achieve significant tuition savings. The discount initiative would also emphasize other cost savings approaches.

Other Cost Savings Options

Taking full advantage of the plateau tuition policy is one way for students to save money and increase earnings. Other options students could explore to further reduce costs include:

1. Completing a degree in three years. UW-Stout recently announced that they would offer three-year degree programs in three areas: Business Administration; Psychology; and Hotel, Restaurant, and Tourism Management. A three-year degree completion plan will be developed for students who sign a contract indicating that they understand the program requirements. The programs will begin in Fall 2010. Students will be given priority when registering for classes and will be required to enroll in Winterm and summer session classes.
2. Taking advantage of the lower tuition at the UW Colleges for the first two years. Students can take advantage of the savings of living closer to home for a period of time by using guaranteed transfer programs and the UW-Madison Connections Program. Currently, about 2,500 students each year transfer from a UW Colleges campus to one of the four-year institutions.

The Story……

Two students embark on their collegiate careers in 2009-10. The first student goes to a UW Comprehensive university, takes advantage of the tuition plateau, and graduates in four years. The second student lives with his parents for two years while attending UW-Fox Valley, and then transfers to UW-Green Bay and completes his degree in two more years. This student also takes advantage of the tuition plateau. The second student would spend almost $16,000 less than the first student for tuition, fees, room, and board.

		UW Comprehensive Student		UW-Fox Valley then UW-Green Bay Student		
		Takes 15 credits for 8 semesters		Takes 15 credits for 4 semesters at UW-Fox Valley	then…..	Takes 15 credits for 4 semesters at UW-Green Bay
Tuition and Fees		$28,206		$9,025		$15,129
Residence Halls		13,581		0		7,300
Meal Plans		9,591		0		4,200
Total Costs		$51,378				$35,654
Savings compared with the UW Comprehensive student						**$15,724**

Assumptions
Students are taking the same number of courses, so no savings on books.
Tuition and fees will increase by 5.5% annually, except that Tuition is unchanged at the UW Colleges.
Residence Hall and Meal Plan increases are the same dollar amount as in 2009-10.
Assumes the Fox Valley/Green Bay student lives at home for the first two years.

3. Participating in the Wisconsin Covenant, through which additional financial support would be available for students with financial need. Currently, approximately 52,000 students have enrolled in the Covenant Program, and the first cohort of Covenant Scholars (approximately 17,000) will enter college in Fall 2011.
4. Fully exploring other financial aid options.
5. Taking college credit or advanced placement courses while still enrolled in high school.

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.

Differential tuition is a mechanism that allows institutions to generate revenues for improving student success and access to quality instruction at a time of declining state resources. Some of these initiatives increase a student's ability to graduate in a timely fashion by adding faculty and removing bottlenecks to required courses.

Some differential tuition initiatives have included financial aid to hold a target population of students harmless for the tuition increase, thereby maintaining affordability. However, including financial aid results in tuition increases that are larger than might otherwise be needed to achieve the same programmatic goals. The discussion at the December meeting will provide the Board

the opportunity to discuss the implications of these choices and decide whether the current guidelines for differential tuition are sufficient or if additional policy guidelines are needed.

Recent History of Differential Tuition

President Reilly appointed a Tuition and Financial Aid Working group that began work in May, 2007. The workgroup completed its work and submitted a report to President Reilly in February, 2008. The report was discussed by the Board at its March, 2008 meeting. The workgroup was asked to 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.

In preparing its report, the Workgroup acknowledged 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.

Under these restrictions, the Board can only raise tuition for resident undergraduates by the percentage sufficient to cover the currently authorized tuition level, increases included in the biennial budget (for new initiatives and cost to continue), and the compensation and fringe benefit amounts recommend by OSER (or requested by the Board, if OSER has not acted on the Board's recommendation) with the exception of state imposed costs, differential tuition, distance education, nontraditional courses, and intersession course.

While the Group recognized the challenges imposed by state statute, they did not allow those limitations to restrict their discussions. The report reflected the Group's assessment of each option as an avenue for increasing revenue, enhancing access and educational quality, and improving student success.

The Workgroup included the following statements in the executive summary of the report:

"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…."

Subsequent Action: At the April 2008 meeting, the Board adopted Financial Aid Policy principles in response to this suggestion.

Second, the Workgroup believed that 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 believed that, while tuition-funded, need-based, financial aid is an option for future consideration, currently the state retains the primary responsibility for providing financial aid. Therefore, any tuition-funded financial aid should not replace additional state funding for either new or existing financial aid programs. In response to this need for additional financial aid, the Group expressed support for a financial aid program that would hold low-income students harmless against tuition increases and meet all student financial need.

Subsequent Action: As part of the 2009-11 biennial budget request, the Board of Regents asked the state to increase funding for financial aid so that grants provided to eligible students would increase by the same dollar amount as the tuition increase. The Governor's budget included this recommendation but funding was later reduced in the legislative process.

Third, the Workgroup found that, 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.

Subsequent Action: Tuition at the Colleges has been frozen for the past 3 years at the 2006-07 level and is now very competitive with the Technical College tuition rate, providing a lower-cost, high quality entry point for liberal education in the UW System.

Fourth, while differential tuition 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 did not believe that significant additional restrictions on the ability to use differential tuition were advisable at that time. Nevertheless, the Group believed 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.

Subsequent Action: The Board adopted the recommendation to review each differential every 5 years or at any point where the purpose of the differential is substantially changed. In support of this recommendation, System Administration developed a timeline to review each differential that had been approved and sent out guidelines regarding the review of differential tuition programs.

Finally, the Group recommended 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 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.

Subsequent Action: No action was taken on this recommendation.

Since the Board accepted both the report and recommendations regarding Tuition and Financial Aid Policy, the following actions have occurred:

(1) UW System Administration sent a memo to institutions with timelines for review of existing differentials and guidelines for information to submit as part of the Board's review of those differentials.
(2) The first set of differential tuition programs were reviewed under the new five-year process in February 2009. Inflationary adjustments were added to four of the UW-Milwaukee program-specific differentials, the Platteville Regional Initiative (for non-residents) was re-approved with an increase in the differential scheduled for Fall 2010, and the UW-Oshkosh undergraduate differential was also re-approved to include inflationary adjustments.
(3) The UW-Madison tuition differential was approved. It is the only new institutional differential tuition initiative passed by the Board since April 2008, when the Board approved both the tuition and financial aid policies and a UW-Platteville Undergraduate Differential Initiative. The UW-Madison initiative addressed some of the committee's recommendations: (1) it incorporated plans for increasing financial aid for families with need and (2) a board review process was included.

Current Board of Regents Policy

Board of Regents Policy 32-7, approved in May 1999, provides the following guidelines on student involvement related to differential tuition initiatives:

1. *Students will be advised through their student government organizations of all planned 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 the proposed differential tuition initiative*
3. *Differential tuition initiative proposals presented to the Board of Regents will include a section on the student consultation process and outcome*
4. *The Chancellor of the UW System institution, in consultation with the President of the UW System, will make the final determination whether a differential tuition initiative is submitted to the Board of Regents for approval; student approval is not a requirement for the initiative to be forwarded to the Board of Regents*

5. *Spending decisions related to the funds generated by the differential tuition are ultimately the responsibility of the Chancellor of the UW System institution as indicated in s. 36.09 (3) Wis. Stats.*

What is the Future for Differential Tuition?

Most of the four year institutions have institutional differentials at this point. Only UW-Milwaukee, UW-Green Bay, UW-Parkside and UW-Stevens Point do not. A summary table is attached (Attachment 1) describing the differential tuition initiatives within the system. The institutional differentials for resident undergraduate students vary widely in cost from $102 per year at UW-Platteville to $1,000 per year at UW-La Crosse. Students have a significant role in determining the amount and purpose of the differentials.

Some campuses (such as UW-Eau Claire, UW- La Crosse and UW-Superior) are considering submitting revisions to their current approved differential tuition programs. These initiatives will need to be fully developed on the campus and student input will need to be obtained. The initiatives will then need to be reviewed by System Administration before they are brought to Board of Regents for consideration.

Campuses, and students, are looking for ways to distinguish their institution and their degrees. In many cases these differentials help to provide a margin of excellence to the campus and reduces time to degree.

Program specific differentials are not as prevalent within the UW System as they are in some other states, such as at the University of Minnesota and the University of Indiana.

Discussion Items Related to Tuition Policy

The Board may wish to consider whether a policy should be developed which includes direction on some of the following questions.

- *Should there be greater standardization of student input in differential tuition? Currently students can provide input through their student government, through surveys, and/or through referenda. Is the current system working? Are there changes needed?*
- *Should there be a limit placed on the size of differential tuition proposals? Campuses currently propose differentials based upon the needs at their institution and the ability/willingness of students to pay those differentials.*
- *Should the system maintain a certain distance between the tuition of doctoral and comprehensive institutions?*
- *Should there be a hold harmless requirement for differential tuition proposals? If so, at what income level? Would this apply to all differential tuition proposals or only those above a certain dollar amount?*
- *Should the board be concerned about the variance in size of differential tuition and therefore the income available to a campus from a differential?*

- *Should there be some consideration of the interaction between programmatic and institution wide differentials? How many programmatic differentials should a campus have? If a campus has a number of programmatic differentials should that impact their ability to have an institution wide differential?*

In addition, Attachment 2 includes proposed revisions to the differential tuition process for consideration by the Business, Finance and Audit Committee.

REQUESTED ACTION

No action requested; for information only.

Attachment 1

UW SYSTEM DIFFERENTIAL TUITION BY CAMPUS NOVEMBER 2009

Institution	Tuition Program	Description	Pricing	Annual Increase	Next Board Review
UW-Madison	School of Business -Undergraduate	Implemented Fall 2007. Differential rate applies to all undergraduate students enrolled in the Bachelor's of Business Administration (BBA) major and Certificate in Business (CIB) program. The differential will come up for review by the campus and students after the 2011-12 academic year.	For BBA majors, tuition will increase by $500 per semester ($1,000 per year). CIB tuition will increase by $150 per semester ($300 per year).	None	2013
	School of Engineering - Undergraduate Differential Tuition	The differential applies to all undergraduate students enrolled in the Engineering Major beginning in Fall 2008. The differential must be reviewed by the Board of Regents following Spring 2011.	The differential will be phased in over three years: $300 per semester in 2008-09, $500 per semester in 2009-10, and $700 per semester in 2010-11.	None beyond 2010-11	2011
	The Madison Initiative for Undergraduates	Approved in May 2009. The differential applies to all undergraduate students. The Initiative will add faculty and instructional support, improve student services, and increase need-based financial aid. The differential must be reviewed by the Board of Regents after four years (2013-2014).	The differential will be phased in over four years. For residents, the differential will be $250 in 2009-10; $500 in 2010-11; $750 in 2011-12; and $1,000 in 2012-13. For non-residents, the differential will be $750 in 2009-10, $1,500 in 2010-11; $2,250 in 2011-12; and $3,000 in 2012-13.	None beyond 2012-2013.	2014

DIFFERENTIAL TUITION (continued)

UW-Milwaukee	Peck School of the Arts - Undergraduate	Implemented Fall 2004. Differential rate applies to all undergraduate courses provided by the Peck School of the Arts, with the exception of eight 100 level General Education Requirement courses.	$10 per credit in 2004-05, $15 per credit in 2005-06, and $20 per credit in 2006-07. The differential is $20.60 per credit in 2009-10.	May increase by 3% annually through Fall 2012	2013
	College of Engineering and Applied Science - Undergraduate and Graduate	Implemented Fall 2004. Applies to all undergraduate and graduate courses provided by the college.	$5 per credit in 2004-05, $10 per credit in 2005-06, $15 per credit in 2006-07, and $20 per credit in 2007-08. The differential continues at $20 per credit.	May increase by 4% annually through Fall 2012	2013
	School of Business Administration - Undergraduate	Implemented Fall 2004. Differential rate applies to all 200 to 600 level courses provided by the School.	$10 per credit in 2004-05, $15 per credit in 2005-06 and $20 per credit in 2006-07. The differential continues at $20 per credit.	May increase by 3% through Fall 2012	2013
	College of Nursing - Undergraduate	Implemented Fall 2004. Applies to all undergraduates enrolled in clinical major courses within the College.	Differential of $30 per credit applied to all 300 level courses in 2004-05, and to all 300- and 400-level courses beginning in 2005-06. The differential continues at $30 per credit.	May increase by 3% annually through Fall 2012	2013
	School of Architecture and Urban Planning (SARUP) - Undergraduate and Graduate	Implemented Fall 2006. Supports a desktop computer workstation program with enhanced support services for architecture students. Will be reviewed by the Student Senate after the third year of operation.	$11 per credit hour for all Department of Architecture courses, and an additional $30 ($41 total) per credit hour for all courses at the 200-800 levels.	May increase by 5% annually	2011
	Allied Health Programs - Graduate	Implemented in 1997. General tuition for Allied Health Graduate Programs was increased to help defray the costs of these health science programs.	Tuition was increased by 20% (10% in 1998-99 and an additional 10% in 1999-00).	As a percent of tuition, the differential increases with tuition	2010

DIFFERENTIAL TUITION (continued)

UW-Eau Claire	Institution-wide Undergraduate Differential	Implemented in 1997. Funds opportunities such as faculty/student collaborative research, service-learning programs, internships, and freshman seminars/capstone courses.	Began at $50 per semester in Fall 1997, and was increased to $55 per semester in Spring 2003, $60 per semester in Fall 2003, and $65 per semester in Spring 2004. The 2009-10 differential is $81.50 per semester.	Differential will increase by 4.5%, rounded to the nearest half dollar, until the Student Senate directs otherwise.	2010
UW-La Crosse	Allied Health - Graduate	Implemented Fall 1997 to help defray costs for operating the Occupational Therapy, Physician Assistant, and Physical Therapy program.	Tuition increased by 20% (10% in 1997-98 and an additional 10% in 1998-99.)	As a percent of tuition, the differential increases with tuition	2010
	Academic Excellence Initiatives - Undergraduate and Graduate	Implemented Fall 2003 to provide direct financial support for undergraduate research, advising, diversity and international education.	Tuition increased by $20 per semester in Fall 2003. The 2009-10 differential is $30.39 per semester.	Increases by 3% annually	2010
	Growth, Quality, and Access - Undergraduate	Approved by the Board of Regents in December 2007. The differential rate does not apply to currently enrolled students. The differential will be used to hire additional faculty and staff and to purchase instructional supplies and equipment.	Tuition increased by $250 per semester for Fall 2008. In 2009-10, tuition will increase by another $250 per semester.	Increase will be sufficient to cover salary and fringe increases and is not expected to be larger than the undergraduate tuition increase	2013
UW-Oshkosh	Oshkosh Personal Development Compact - Undergraduate	Implemented Fall 2003 to provide funding to enhance assessment, advising, co-curricular involvement and emotional adjustment and wellness. Heavy emphasis is placed on student retention, reduced time to graduation, and increased graduation rates.	The undergraduate tuition differential is $56.65 per semester in 2008-09.	Differential increases by 3% annually	2012

DIFFERENTIAL TUITION (continued)

UW-Platteville	Regional Enrollment Plan - Undergraduate	Implemented Fall 2005. Offers differential tuition rate to entering, nonresident, undergraduate students from Illinois and Iowa who enroll in fields that address the workforce needs of both new and established Wisconsin businesses.	Eligible students will be charged the resident tuition rate plus a premium of $4,000 per year.	Premium will increase to $4,400 in Fall 2010. After Fall 2010, the premium may increase up to the resident undergraduate tuition rate.	2014
	Academic and Support Services - Undergraduate	Approved by the Board of Regents in April 2008. The differential expands student services (e.g. Writing Center, Tutoring Center), supports additional mental health staff, funds new career services staff, and provides financial support to students completing their senior capstone project.	Differential tuition will be 1.9% of the resident undergraduate tuition rate for all undergraduates. In 2009-10, this is $51 per semester. The differential will be prorated for part-time undergraduates.	As a percent of tuition, the differential increases with tuition	2013
UW-River Falls	Undergraduate Differential Tuition	Implemented Fall 2007 to provide funding for enhanced library services, a testing and tutoring center, and undergraduate scholarly research and creative activities (USRC).	Tuition will increase $36 per semester ($72 per year). This rate will remain flat for four academic years and will then be reviewed for reauthorization by a campus oversight committee made up of an equal representation of students, faculty and staff.	None	2012
UW-Stout	Customized Instruction	Implemented Fall 1999. Provides tuition flexibility to determine and charge market rates for customized programs, certificates, and courses to meet the needs of business and industry. Courses will be typically provided in alternative time frames (i.e. summer, evenings, and/or weekends.)	Market tuition rates will vary by program. It was estimated in 1999 that market rates would typically fall into the $600 to $1,200 range for a two-credit course.	Variable based on market rates	2010

DIFFERENTIAL TUITION (continued)

UW-Stout (continued)	Access to Learning - Undergraduate and Graduate	Implemented Fall 1999. Differential tuition helps provide access to active learning principles which promote critical and creative thinking abilities in students.	Both residents and nonresidents pay the same differential tuition amount, which equals 5% of undergraduate and graduate tuition.	As a percent of tuition, the differential increases with tuition	2010
UW-Superior	Undergraduate Differential Tuition	Beginning in Fall 2008, the differential supports Jim Dan Hill Library operations and expands student career services. The differential will be reviewed following Spring 2011.	All undergraduate students are assessed an additional $103.50 per semester. The differential fee is prorated for part-time students.	None	2011
UW-Whitewater	Advising and Integrated Freshman Experience Program - Undergraduate	Implemented Fall 2002 to promote continual student success through a multilevel advising model and an integrated freshman experience program.	Undergraduate tuition increases by an amount equal to 3.5% of the resident undergraduate tuition rate.	As a percent of tuition, the differential increases with tuition	2012

Attachment 2

Proposed Process Changes for Differential Tuition Proposals and Reviews

The following proposed process changes would clarify the approval process now covered by various UW System differential tuition guidelines: *Differential Tuition Process Timeline*, *Institution-wide Differential Tuition Procedures,* and *Program Specific Differential Tuition Procedures (see Attachments 3 and 4).* These process changes could be considered by the Business, Finance and Audit Committee for incorporation into System guidelines at a future Board of Regents meeting.

Revision of Differential Tuition. The Board of Regents could require differential tuition initiatives to come before the Board for revision when *the purpose of the differential is substantially changed.* In this instance, a substantial change to the purpose of the differential would be considered a change that would move away from the initial areas of emphasis for the differential. For example, an initiative that is primarily targeted towards advising would be substantially changed if the funding was used to support increases in faculty. Another example would be a differential that was targeted towards improvements in the library being used for undergraduate research and supporting staff. There is nothing wrong with these types of changes but they are substantial changes which the Board might want to approve.

Institution-wide differential programs. In order to preserve transparency for students, parents, and stakeholders, each UW institution would have no more than one institution-wide differential tuition program. Institutions that currently have more than one institution-wide differential would be required to reduce the number of differentials to one during the next five-year review. Institutions would work with student leadership to ensure that the single differential continues to reflect intuitional priorities.

Institution-wide differentials would reflect a cohesive program to address top institutional priorities. Institution-wide differentials would not support a broad, disconnected array of services and priorities.

Following existing policy, institutions may modify the purpose or pricing of an existing differential with approval by the Board of Regents during the five-year review process.

Program-specific differential programs. Institutions would be permitted to have no more than one program-specific differential per program of study. Institutions could have one institution-wide differential in conjunction with program-specific differentials.

Program-specific differentials would generally be limited to programs with high instructional or support costs. The purpose of a program-specific differential would not be to limit enrollment in high-demand fields or to increase tuition to prevailing market rates. Differential tuition initiatives could be used to increase enrollment, but not solely for that purpose. Because all students in the program would be paying the fee, they should receive some additional benefits such as increases to programmatic offerings or services.

Program-specific differentials would have to make provisions to ensure access to resident, low-income students.

Nonresident differential programs. Institutions may also pursue differential proposals targeted at increasing nonresident student enrollment. Nonresident differentials would charge at least the full cost of instruction (total tuition rate) and could not result in limiting resident student access to educational programs.

Nonresident differential programs would not require student consultation.

Institutions could have no more than one nonresident differential program.

An institution could have one institution-wide differential in addition to a nonresident differential.

Five-year differential reviews. In order to provide the Board of Regents with a complete picture of the tuition strategy being pursued at an institution, each institution would review all approved differentials with the Board of Regents once every five years. This modifies the requirement that each differential should be reviewed individually every five years.

Differential tuition modifications. Modifications to the pricing and purpose of differential tuition programs would be presented to the Board for approval during the five-year differential review.

A proposed timeline would be developed by System Administration to assist institutions with planning differential tuition approval and review incorporating the Boards decisions on process and policy changes.

Attachment 3

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.

Attachment 4

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.

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.1. Education Committee

Thursday, December 10, 2009
Main Lounge, 2nd Floor Central
UW-Madison Memorial Union
Madison, Wisconsin

10:00 a.m. All Regents – Main Lounge, 2nd Floor Central

- Presentation by UW-Madison Chancellor Carolyn "Biddy" Martin: A World-Class Research University – For Wisconsin and the World

11:00 a.m. All Regents – Main Lounge, 2nd Floor Central

- Discussion: Quality, Affordability, and Differential Tuition

12:00 p.m. Lunch – Great Hall, 4th Floor Central

1:00 p.m. Education Committee – Main Lounge, 2nd Floor Central

a. Presentation: UW System Alcohol and Other Drug Abuse Committee.

b. Consent Agenda:
   1. Approval of the Minutes of the October 15, 2009, Meeting of the Education Committee;
   2. UW-Stout: Program Authorization of B.S. in Supply Chain Management; [Resolution I.1.b.(2)]
   3. UW-La Crosse: Program Authorization of M.S. in Medical Dosimetry; [Resolution I.1.b.(3)]
   4. UW-Oshkosh Faculty Personnel Rules. [Resolution I.1.b.(4)]

c. Approval: Policy on Advanced Standing Credit for *Project Lead the Way* Courses. [Resolution I.1.c.]

d. UW-Madison Presentation: Ensuring Innovation in Education, Research and Service.

e. Report of the Senior Vice President:
   1. Update on Draft Policy to Make Textbooks More Affordable;
   2. Summary of 2010-11 Sabbatical Assignments.

f. Additional items may be presented to the Education Committee with its approval.

UNIVERSITY OF WISCONSIN SYSTEM
ALCOHOL AND OTHER DRUG ABUSE ASSESSMENT
2009 AODA COMMITTEE REPORT

EXECUTIVE SUMMARY

BACKGROUND

The use and abuse of alcohol and other drugs is a significant concern for the state of Wisconsin. The University of Wisconsin System recognizes alcohol and other drug abuse (AODA) as a major issue affecting the student experience and student success. In May 2001, the UW System Board of Regents adopted principles for developing alcohol policies and programs at UW System institutions. The Board asked that a uniform process be developed that would allow the UW System institutions to assess the impact of UW System programs designed to prevent and reduce the abuse of alcohol and other drugs.

In response to the Board of Regents' directive to formulate a systemwide approach to the assessment of student alcohol and drug abuse, the UW System Alcohol and Other Drug Abuse Committee was formed. The Committee developed a strategic plan in 2002 that has since guided systemwide and campus efforts. The strategic plan is currently being updated and reviewed by the AODA campus coordinators, after which it will be shared with the systemwide AODA Committee and then go to the Board of Regents for its review.

At its December, 2009, meeting, the Board of Regents Education Committee will review the 2009 AODA Report.

REQUESTED ACTION

For discussion only; no action is requested at this time.

DISCUSSION

One of the AODA Committee's activities after its formation was to develop a common assessment survey that was first administered to undergraduate students in the spring of 2005, and again in 2007. The survey was intended to gather baseline information on: (1) alcohol and other drug usage; (2) behaviors and direct consequences as a result of alcohol and other drug use; and (3) secondhand, or indirect, consequences of drinking and other drug use. Results of the survey have been presented to the Board of Regents after each of its administrations.

After much deliberation, the Committee decided to revise the 2009 Survey, changing several questions in order to make them more clinically relevant. Consequently, the data from the survey presented in the 2009 AODA Report cannot be universally compared to data from previous surveys. Questions that have been modified have been noted within the report.

Selected Survey Findings

The 2009 AODA Survey was given to 6,608 students, with a response rate of 26%. Key findings of the survey include:

- 48% of students report drinking prior to coming to college;
- 72% of students report drinking alcohol since coming to college;
- While binge drinking rates remain high (51%), binge drinking shows a downward trend from previous surveys;
- Self-reported use of other drugs remains relatively low;
- Students continue to significantly overestimate the drinking habits of other students;
- Perception that campus AODA regulations are being enforced has grown.

Other AODA Activities

In addition to conducting the survey, the UW System AODA Committee has organized various activities that bring campus staff together to discuss AODA-related issues and share successful strategies to prevent and reduce alcohol and other drug abuse. In October 2009, the Committee sponsored its sixth AODA Symposium. This year's Symposium was attended by approximately 100 representatives from the UW System's 26 campuses. The Symposium focused on the trends in education around the topic of the abuse of alcohol. Participants also explored best practices, shared campus-specific activities, and heard from nationally recognized speakers.

Seeking funding for promising AODA initiatives has also been a priority for the Committee. The Committee was successful in obtaining a series of grants from the Wisconsin Department of Transportation that funded campus efforts to use social norms marketing techniques to address student perceptions of drinking behaviors and to dispel the unhealthy myths that many students held about drinking on their campus.

Alcohol and other drug abuse presents a complex set of challenges to higher education institutions across the nation, as it does to society in general. There is no silver bullet. The set of activities coordinated by the UW System AODA Committee and the institutions seek to confront AODA challenges head-on. In working to establish a baseline level of student alcohol and drug use throughout the UW System, the AODA survey enables the UW System to determine over time whether prevention initiatives are making a positive impact.

RELATED REGENT POLICIES

Regent Resolution 8356, adopted 5/11/01.

UNIVERSITY OF WISCONSIN SYSTEM
ALCOHOL AND OTHER DRUG ABUSE ASSESSMENT
2009 Report

BACKGROUND AND PROJECT OVERVIEW

As part of an ongoing assessment of alcohol and other drug abuse, the UW System Alcohol and Other Drug Abuse Committee administered a survey to undergraduate students in the spring of 2009. The purpose of this survey was to gather information on: (1) alcohol and other drug usage; (2) behaviors and direct consequences as a result of alcohol use; and (3) secondhand, or indirect, consequences of drinking and other drug use. This report summarizes some of the major findings from this survey and presents changes in the data from 2005, to 2007, to 2009.

Research Design

The Sampling Frame

Each UW System institution supplied UW System with email addresses of its undergraduate population enrolled as of January 2009. A random sample of students was drawn from each 4-year institution. The exceptions were UW-Superior and the UW Colleges, where all students were contacted.

Collection of Data

UW System students were first contacted via an email message on February 28, 2009. One follow-up email invitation was sent to students on March 12, 2007. The students were assured that participation in the study was voluntary and that all answers were anonymous.

E-mail invitations to students contained an HTML link to the survey website. Each HTML link was unique to the recipient of the e-mail. This measure decreased the likelihood of multiple completions from single respondents, or survey completion by individuals not selected to receive an e-mail invitation.

Response Rate

A total sample of 25,419 undergraduate students was randomly selected and asked to complete a web-based questionnaire. A total of 6,608 responded to the questionnaire, for an overall response rate of 26%. The Margin of Error (ME) for this survey at 95% confidence is $\pm$ 0.01.

	Students Contacted (N)	**Students Responding** (N)	**Response Rate** (%)	**95% CI (margin of error)** ±
UW-Madison	1,507	511	33.9	.04
UW-Milwaukee	1,500	343	22.9	.05
UW-Stevens Point	1,448	466	32.2	.04
UW-Eau Claire	1,458	402	27.6	.05
UW-River Falls	1,411	481	34.1	.04
UW-Whitewater	1,452	296	20.4	.06
UW-Platteville	1,420	461	32.5	.04
UW-Stout	1,434	555	38.7	.04
UW-Oshkosh	1,464	317	21.7	.06
UW-Green Bay	1,409	404	28.7	.05
UW-Parkside	1,387	199	14.3	.07
UW-La Crosse	1,446	478	33.1	.04
UW-Superior	1,273	322	25.3	.05
4-year Subtotal	18,609	5,235	28.1	.01
UWC Total	6,810	1,373	20.2	.03
Total System	**25,419**	**6,608**	**26.0**	**.01**

Limitations of the Data

Quality Control

Several quality review processes were used to improve data quality, beginning at the sample selection stage with daily monitoring of the return rate to make sure there were no technological problems in students completing the on-line questionnaire. The data quality control process continued in the cleaning and analysis of the raw data, looking for incomplete surveys and data outliers.

Sampling Error

Since the data presented here are *estimates* based on a sample, the data may differ from the true population data. From the total completed questionnaires, which numbered 6,608, it can be said, with 95 percent certainty, that the results have a statistical precision of plus or minus .01 percentage points of what they would be if the entire undergraduate population had been polled with complete accuracy.

Nonsampling Error

In all random surveys there are several other possible sources of error called nonsampling error. Such errors include non-response error, computer processing error, reporting error, or other error not due to sampling. As mentioned earlier, quality control steps were taken to limit any errors that could be introduced in the data collection and analysis portion of the study.

Nonresponse error depends on how nonrespondents differ from those that completed the survey. Non-response can bias survey estimates if those who do not participate in a survey hold substantially different attitudes or behavior than those who do participate. Regardless of the overall response rate, the question is how representative to the overall population are the respondents. In this study, it was determined that post hoc sample balancing was required to adjust the sample appropriately to better represent the sampling frame in terms of gender distribution and institution size.

MAJOR FINDINGS

ALCOHOL USAGE

Since coming to college, 72% of students report drinking alcohol. Forty-eight percent of students report also drinking alcohol before college, while 24% report that they did not consume alcohol prior to college. Furthermore, about two-fifths of those who also drank before college report that their drinking has increased since starting college.

The amount or volume of alcohol consumed during a drinking occasion is a great concern. For the purpose of this report, high-risk drinking (i.e. "binge drinking") is defined as consuming at least five drinks ***within a two-hour timeframe***. This definition differs from the definition used in the 2005 and 2007 AODA surveys. The question changed from, "Think back over the last two weeks, how many times have you had at least five drinks ***in one sitting***?" to "Think back over the last two weeks, how many times have you had at least five drinks ***in a two-hour timeframe***?" The 2009 version of the question was determined to be more clinically relevant by university substance abuse counselors. However, comparability between the 2005/2007 and 2009 surveys in compromised. The interpretation of "in one sitting" versus "in a two-hour timeframe" may differ in the minds of respondents, and this difference alone may account for changes in the 2005/2007 metrics compared to the 2009 metric.

Binge drinking rates among students who consume alcohol

Student binge drinking rates are reported in Table 1. Among students who have consumed alcohol since coming to college, a total of 51% have engaged in binge drinking behavior at least once in the past two weeks. This number is down from the 2005 and 2007 surveys. This may be particularly relevant because the 2005 and 2007 metrics also included abstainers, whereas the 2009 metric includes only drinkers (Note: this is a result of change in the online survey; a new question skipped abstainers out of the battery of personal alcohol consumption questions). Binge drinking, therefore appears to be trending downward among college students in the UW System. However, despite the downward trend, the majority of students who consume alcohol (51%) engaged in binge drinking behavior.

Those who frequently binge drink (defined as consuming at least five drinks within a two-hour time frame 3 or more times in the past 2 weeks) has precipitously dropped from 2005 to 2007 to 2009. It should be cautioned, though, that this positive news must be tempered by the "in one sitting" definition used in 2005/2007 versus the "in a two-hour timeframe" definition used in 2009.

Using the "5 or more drinks in a two-hour timeframe" definition for binge drinking, 64% percent of male respondents binge drank at least once in the past two weeks, compared with 39% of female students. In this case, it's relevant to note that the male rate is nearly identical to the 2007 rate (63%). This is perhaps some evidence that binge drinking among males in one sitting (which, again, was the 2007 definition) typically occurs in a two-hour time frame (which was the 2009 definition).

The 2009 survey also added an additional binge drinking question which slightly lowered the amount of drinks in a two-hour timeframe from "5 or more" to "4 or more." AODA counselors in the UW System felt this definition of binge drinking was more clinically relevant for women. In the case of "4 or more drinks in a two-hour timeframe," the binge drinking rate of women

jumped to 60% (compared to 39% using the "5 or more" definition). Future administrations of the AODA survey will provide trend data with respect to the more clinically relevant "4 or more" definition of female binge drinking.

Differing from previous administrations of the AODA Survey, freshmen were more likely to engage in binge drinking behavior compared to upper classmen.

Although only 6% of students reported active participation in fraternities and sororities in the past 6 months, binge drinking rates remain highest among those involved in Greek life.

Table 1: Binge Drinking (5 or more drinks in a two-hour timeframe) by Various Demographics

	Percent of respondents who engaged in binge drinking (2009: *5 or more drinks in a two-hour timeframe* 2005 & 2007: *5 or more drinks in one sitting*)		
Student Population	**2005**	**2007**	**2009**
	%	%	%
Total binge drinking	**59**	**54**	**51**
Occasional binge drinking (1-2 times in past 2 weeks)	27	30	33
Frequent binge drinking (3 or more times in past 2 weeks)	32	24	18
Gender			
Male	69	63	64
Female	52	46	39
Year in school			
Freshman	54	48	57
Sophomore	56	52	51
Junior	62	58	51
Senior	65	57	48
Participation in fraternity or sorority			
Participant	79	74	67
Non-Participant	57	52	50
Residence			
Live in fraternity/sorority	84	82	69
Off-campus apartment	67	61	53
University residence hall	53	49	52
Parents/guardian's house	47	39	39

Table 1 Notes:

1. Population in 2005 and 2007 is all students, including abstainers. Population in 2009, *due to a skip pattern built into the survey instrument itself*, is students who have drunk alcohol since coming to college.
2. The binge drinking question changed in 2009. The change was made to make the question more clinically relevant. Comparability to 2005 and 2007 data is therefore compromised. The different versions are listed as follows (exact difference in wording is bolded and italicized):
   - 2005 & 2007 Version – Think back over the last two weeks, how many times have you had at least five drinks ***in one sitting***?
   - 2009 Version – Think back over the last two weeks, how many times have you had at least five drinks ***in a two-hour timeframe***?

Volume: Drinks per occasion and drinks per week

In examining drinks per occasion and drinks per week, students report they consume, on average, 5.9 drinks per social drinking occasion and consume an average of 8.3 drinks in a week. Differences are seen in drinking patterns by gender, with males drinking more frequently and with more volume. Male students report that they have an average of 7.2 drinks in a typical social drinking occasion and report 11.2 drinks per week. Female students, on the other hand, report they have an average of 4.5 drinks per occasion and consume 5.2 drinks total per week.

In comparing past data (2005 & 2007), it should be remembered, again, that the 2005 and 2007 metrics likely included abstainers who would have answered zero drinks per occasion and per week. This, of course, would have the effect of lowering the average. Hence, the increases between 2009 and past years, shown in Table 2 below, are likely a function of the base used to calculate the percentage.

Table 2: Average Drinks Consumed in a Week and an Occasion

Survey question: What is the average number of drinks you consume in a week? (range: 0-70 drinks)

Estimated average drinks you consume in a week	Total Respondents	Male	Female
2005	7.8	11.7	4.6
2007	6.8	9.8	4.4
2009	8.3	11.2	5.2

Survey question: On a typical drinking occasion, how many drinks do you usually have? (Remember that we mean standard drinks a bottle of beer (12 oz.), a glass of wine (4 oz.), a wine cooler (12 oz.), or a shot of liquor (1 oz.) served straight or in a mixed drink) (Range: 0-24 drinks)

Estimated average drinks consumed in typical drinking occasion	Total Respondents	Male	Female
2005	5.5	7.0	4.2
2007	5.0	6.3	3.9
2009	5.9	7.2	4.5

Table 2 Notes:
1. Population in 2005 and 2007 is all students, including abstainers. Population in 2009, due to a skip pattern built into the survey instrument itself, is students who have drunk alcohol since coming to college.

Normative Data: student perception of others' drinking

The student self-reported levels of drinking tended to be lower than their estimates for how much the 'average student' consumed. Male students reported consuming an average of 11.2 drinks per week. However, when they were asked to estimate the number of drinks consumed by the typical male student on their campus, the perceived average was 15.7 (see Table 3 below). In other words, they considerably over-estimate how much other students drink. Likewise, female students reported consuming an average of 5.2 drinks per week, which is considerably lower than the average of 10.8 drinks per week that respondents estimated a typical female student consumed in a week. Perceptions of others' drinking behavior largely remained unchanged from 2005 to 2007 to 2009.

Table 3: Average Drinks Consumed in a Week Compared to Perceptions of Others Average Consumption in a Week

Survey question: What is the average number of drinks you consume in a week? (range: 0-70 drinks)

Estimated average drinks you consume in a week	Total Respondents	Male	Female
2005	7.8	11.7	4.6
2007	6.8	9.8	4.4
2009	8.3	11.2	5.2

Survey question: What is the average number of consumed by the typical male student from your campus in a week?

Estimated average drinks consumed per week by a male student	Total Respondents
2005	16.4
2007	16.1
2009	15.7

Survey question: What is the average number of consumed by the typical female student from your campus in a week?

Estimated average drinks consumed per week by a female student	Total Respondents
2005	10.8
2007	10.9
2009	10.8

OTHER DRUG USAGE

Since coming to college, 31% of students report using either illegal drugs or prescription medications in a manner not prescribed by a health professional. A similar question was not included on the 2005 or 2007 surveys.

Of those students who have used an illegal drug or a prescription medication in a manner not prescribed by a health professional, 52% report using Marijuana (pot, hash, hash oil) in the past 30 days. Twenty-five percent of Marijuana users report using it one-to-five days in a 30-day time span, while 10% report using the substance almost daily (26-to-30 days out of the last 30 days)

Percentages of other drug usage within the last 30 days from 2009 closely match percentages from 2007.

Overall, from this data, it can be concluded that the most frequently used illegal drug is Marijuana. Other drug use, including misuse of prescription medications, occurs among a very small percentage of students.

Table 4: Other Drug Use (Including the Misuse of Prescription Medications

Survey question: Which of the following did you use within the last 30 days?

	2005	2007	2009
	%	%	%
Other illegal drugs	7	4	5
Amphetamines (diet pills, speed, ADHS stimulants) – except as prescribed	4	3	4
Prescription pain medication – except as prescribed	6	3	3
Cocaine (crack, rock, freebase)	3	2	2
Hallucinogens (such as LSD, mushrooms)	3	2	2
Sedatives (downers, ludes) – except as prescribed	1	1	2
Designer drugs (ecstasy, MDMA)	1	1	1
Narcotics (heroin, smack, horse, opium, other opiates)	1	1	1
Steroids	*	*	*
PCP	*	*	*
Inhalants (glue, solvents, gas)	*	*	*
Methamphetamine (meth, crystal)	NA	*	*

Table 4 Notes:

1. Please note that in 2005 and 2007, the calculation for the percentage of persons who have used the substance was based on the total number of respondents. In 2005 and 2007, it was assumed that if the respondent did not positively check a response ("Yes, I used the substance in question"), then the respondent is not a user. In 2009, only respondents who indicated drug use since coming to college answered usage questions.
2. An '*' means a percentage less than .05%

DIRECT CONSEQUENCES OF ALCOHOL AND OTHER DRUG USE

In terms of direct negative consequences for academic life or student learning, 33% of students who drink reported missing a class at least once during the school year due to their use of alcohol; 22% performed poorly on a test or an important project; and 16% had been in trouble with police or campus authorities. In terms of personal harms, 49% reported doing something they later regretted; 40% had gotten into an argument or fight; 20% had been hurt or injured; 7% had engaged in vandalism; and 3% were the victim of a malicious act—all as a result of their alcohol use.

In terms of other high-risk behavior, 24% of respondents had unprotected sex and 12% experienced unwanted sexual contact. Among the five-percent of respondents who report that they had been pressured to go farther than they wanted to go sexually, alcohol or other drugs was a contributing factor in 75% of those instances.

In comparing the 2007 to the 2009 survey results, there are increases in the harms experienced by students (Table 5). However, increases may be a function of ***not*** including abstainers in the 2009 metrics.

Table 5: Harms: Direct Negative Consequences

(Survey Question: How often have you experienced the following due to your drinking?)

Problems experienced by current drinkers at least once in the last year due to their own alcohol use	**2005**	**2007**	**2009**
	%	%	%
Had a hangover	69	70	84
Got nauseated or vomited	60	60	71
Had a memory loss	45	40	50
Did something I later regretted	48	41	49
Gotten into an argument or fight	39	35	40
Missed a class	38	32	33
Been criticized by someone I knew	NA	29	33
Driven a car while under the influence of alcohol	35	27	30
Had unprotected sex	21	19	24
Performed poorly on a test or an important project	20	21	22
Been hurt or injured	23	16	20
Been in trouble with police, residence hall, or other college authorities	13	15	16
Thought I may have a drinking or other drug problem	15	12	15
Experienced unwanted sexual contact	NA	11	12
Damaged property, pulled fire alarm, etc.	8	6	7
Seriously thought about suicide	5	4	5
Tried unsuccessfully to stop using	4	4	5
Due to intoxication, was victim of a malicious act	NA	NA	3
Been arrested for DWI/DUI	1	1	1
Seriously tried to commit suicide	0	*	1

* less than .05%

INDIRECT CONSEQUENCES OF ALCOHOL AND OTHER DRUG USE

The data also show that students experience negative effects from their peers' drinking. Table 6 presents these second-hand effects, which range from high-risk behavior such as riding in a car with an intoxicated driver, to losing sleep and study time.

Compared to 2007, the 2009 data indicated that the indirect consequences are remaining steady or increasing in all categories save one. In 2009, the indirect harms experienced most frequently were "interrupts sleep" (46%), "interrupts studying" (39%), "leads to damage of personal property or environment" (23%), "negatively affects the reputation of my school" (22%), "feels unsafe" (21%), "interferes with class attendance or class activities" (17%), and "prevents enjoyment of events" (19%). Eight percent of respondents say that they have ridden in a car with an intoxicated driver, a particularly high-risk behavior.

Table 6. Harms: Indirect Negative Consequences

(Survey Question: In which of the following ways does drinking by other students interfere with your life on and around campus?)

Percent Responding "Yes"	**2005**	**2007**	**2009**
	%	%	%
Interrupts your sleep	NA	NA	46
Interrupts studying	42	36	39
Damage to your personal property or environment	29	24	23
Negatively affects the reputation of my school	NA	NA	22
Makes you feel unsafe	20	18	21
Prevents you from enjoying events (concerts, sports, social activities, etc)	16	14	19
Interferes with class attendance or class activities	22	16	17
Results in you riding with an intoxicated driver	14	8	8
Discourages you from joining athletic teams or other organized groups on campus	5	4	6
Adversely affects your involvement on an athletic team or in other organized groups	3	2	4
Victim of malicious act done by intoxicated persons	NA	NA	3

PREVENTION PROGRAMS

Students have a moderate level of awareness regarding the campus regulations related to alcohol and other drug use. About half of the students report that they know about their campus regulations related to drug use other than alcohol, and about 60% report knowledge of the campus alcohol use regulations. These numbers represent no meaningful change from 2007.

When asked specifically about campus programs to decrease alcohol abuse, a little over half (51%) did not know if their campus had such a program. This represents an important improvement from 2007. In 2007, only 33% were aware of alcohol-related programs on campus, compared to 45% in 2009. Awareness of drug-related programs on campus also improved from 2007 to 2009, with 31% of respondents indicating awareness of campus-based programs to decrease drug abuse compared to only 21% in 2007. Note, however, that the question's wording was changed in 2009; this leaves open the possibility that the increased awareness is a function of a more clearly worded survey question.

Table 7: University Regulation and Prevention Programs Regarding Substance Abuse

Survey question: Do you know the regulations your college has against alcohol use by students? (2005 & 2007)
Do you know the regulations your college has regarding alcohol use by students? (2009)

	2005	2007	2009
	%	%	%
Yes	65	59	58

Survey question: If yes, are they enforced?

	2005	2007	2009
	%	%	%
Yes	50	56	60
No	13	9	11
Don't know	37	35	29

Survey question: Do you know the regulations your college has against the use of other drugs? (2005 & 2007)
Do you know the regulations your college has regarding student use of drugs other than alcohol? (2009)

	2005	2007	2009
	%	%	%
Yes	59	49	50

Survey question: If yes, are they enforced?

	2005	2007	2009
	%	%	%
Yes	52	55	60
No	8	5	6
Don't know	41	40	34

	Yes			No			Don't Know		
	2005	**2007**	**2009**	**2005**	**2007**	**2009**	**2005**	**2007**	**2009**
- Does your campus have an alcohol prevention education program? (2005 & 2007) - Does your campus have programs to decrease alcohol abuse? (2009)	33	33	45	2	1	4	65	66	51
- Does your campus have a prevention education program for use of drugs other than alcohol? (2005 & 2007) - Does your campus have programs to decrease the abuse of drugs other than alcohol? (2009)	20	21	31	3	2	5	77	77	64
- Does your campus provide help for students with alcohol problems?	51	47	51	2	1	2	47	52	47
- Does your campus provide help for students having problems with other drugs?	40	35	39	2	1	2	59	64	59

CONCLUSION

Due to changes in some survey questions that were intended to enhance clinical relevance, comparability between prior AODA surveys (2005 & 2007) and the current survey (2009) is compromised, but not without value. For example, findings where drinking rates either decreased or remained steady are possibly interpretable, despite changes on the survey instrument. The reasoning behind such a conclusion is based on how the percentage is determined. In 2005 and 2007, drinking rates used the entire population as a base for the percentage (abstainers were *de facto* included, although the 2005 and 2007 survey instruments were not able to *precisely* identify and separate out true abstainers). In 2009, the survey instrument skipped out non-drinkers from personal alcohol consumption questions. Drinking rates in 2009, therefore, were percentages among those who drink. This was determined by AODA counselors in UW System to be more clinically relevant. With respect to comparing trends over time, a decrease or a "no-change-finding" in 2009 is ***possibly*** meaningful because it's precisely the opposite of the ***expected*** result, which would be an increase since the 2009 rate is calculated only among those who drink, excluding abstainers.

Binge drinking rate comparisons over time (e.g. 2009 vs. 2007/2005) are further confounded because of another clinically driven survey instrument change. In 2005 and 2007, the question read, "Think back over the last two weeks, how many times have you had at least five drinks ***in one sitting***?" In 2009, the question read, "Think back over the last two weeks, how many times have you had at least five drinks ***in a two-hour timeframe***?" The difference is bolded and may account for some of the explanation for binge drinking rate reductions between 2007 and 2009.

Hence, when interpreting drinking rate data with the intent of discerning trends over time, some caution must be exercised when comparing 2009 data to past data (2005 and 2007). In the next administration of the survey (expected to be in 2011), this will not be an issue. Comparability over time will be assured. Clinical relevance of findings, as of 2009, is also increased, adding more actionable value (for AODA counselors throughout UW System) to the data.

Overall, total binge drinking (5 or more drinks in a two-hour time frame) has dropped between 2007 and 2009, reducing from 54% to 51%. This appears to be driven by a reduction in frequent binge drinking (3 or more times in the past 2 weeks), which fell from a rate of 24% in 2007, to a rate of 18% in 2009. Binge drinking rates remained steady among males (63% in 2007 vs. 64% in 2009), and fell among females (46% in 2007 vs. 39% in 2009).

In terms of drug usage (other than alcohol and tobacco), 31% of students report using either illegal drugs or prescription medications in a manner not prescribed by a health professional *since coming to college* (Note, a similar question was not included on the 2005 or 2007 surveys). It can be inferred from the data that the main drug of choice is Marijuana (pot, hash, hash oil), and 52% of students report using Marijuana at least once in the last 30 days. In a similar time frame, other choices of drugs are abused at very small to negligible rates; the highest rates were "Amphetamines (diet pills, speed, ADHS stimulants) – except as prescribed" at 4% and "Prescription pain medication – except as prescribed" at 3%.

Indirect negative consequences of alcohol have, in general, increased or remained steady between 2007 and 2009 (Note, question wording and base for percentage calculation ***did not*** change between 2007 and 2009, thus assuring comparability). The most frequently cited indirect negative consequences were "Interrupting sleep" (46% of students surveyed) and "Interrupting study" (39% of students surveyed).

In general, awareness of university regulations regarding alcohol and other drug use has remained steady over time (about 60% of students surveyed were aware of the regulations).

Program Authorization (Implementation)
B.S. in Supply Chain Management
University of Wisconsin-Stout

EDUCATION COMMITTEE

Resolution I.1.b.(2):

That, upon recommendation of the Chancellor of the University of Wisconsin-Stout and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.S. in Supply Chain Management.

NEW PROGRAM AUTHORIZATION
Bachelor of Science in Supply Chain Management
University of Wisconsin-Stout

EXECUTIVE SUMMARY

BACKGROUND AND HISTORY

In accordance with the procedures outlined in Academic Planning and Program Review (ACIS-1.0, Revised June 2009), the new program proposal for a Bachelor of Science in Supply Chain Management at the University of Wisconsin-Stout is presented to the Board of Regents for consideration. If approved, the program will be subject to a regent-mandated review to begin five years after its implementation. The University of Wisconsin-Stout and UW System Administration will conduct that review jointly, and the results will be reported to the Board.

Experts in higher education as well as international business analysts have expressed a strong need for the development of a 21st century workforce that adapts to the changing ways of doing business in a global economy. As businesses create customer bases and satellite production sites all over the world, they find it necessary to coordinate these processes in an efficient and sustainable manner. Supply Chain Management, as defined by the Council of Supply Chain Management Professionals (CSCMP), "encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities." In essence, supply chain management integrates supply and demand management within and across companies. Thus, specialists in supply chain management continue to be in high demand.

UW-Stout recognizes the urgent need for training students in this integrative field. The proposed Bachelor of Science in Supply Chain Management will build on the existing UW-Stout Supply Chain Management concentrations offered through the Engineering Technology and Business Administration programs, as well as the Production Operations concentration offered within the Engineering Technology major. In addition to those Bachelor of Science degrees, a 42-credit Supply Chain Management concentration, a 22 credit certificate and a 22 credit minor are currently offered via on-campus delivery. Some courses in this field are also offered to place-bound students via distance education.[1]

REQUESTED ACTION

Approval of Resolution I.1.b.(2), authorizing the implementation of the Bachelor of Science in Supply Chain Management at the University of Wisconsin-Stout.

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[1] The related Production Operations concentration within the Engineering Technology major was established in 1999, soon to be followed by a Certificate and Minor in Supply Chain Management, established in 2004. In response to student interest and employer demand, the Supply Chain Management Concentrations within Business Administration and Engineering Technology were established in 2008 and 2006 respectively. There are 47 students who have currently declared Supply Chain Management or Production Operations as their concentration or minor. The increasing enrollment trend and popularity of this program have motivated 90 graduates to choose these concentrations or minors since their inception. Five students are planning on declaring a double major or transferring into the Supply Chain Management Bachelor of Science program as soon as it is offered.

Program Description

The Bachelor of Science Program in Supply Chain Management will prepare students for a career in supply chain management by providing specialized training in an increasingly complex field that has developed into a highly technical field of study and practice. The proposed program will address knowledge, skills, and applied research essential to supply chain management, including instruction in improving customer service, minimizing costs, the application of best practices, and the effective use of technology. Efficient management of supply chains is even more essential during economic downturns, and it is expected that students will find their skills in high demand. Most importantly, this new major will meet the growing need for highly educated specialists in supply chain management in Wisconsin and in the geographic area that UW-Stout serves.

Courses in the Supply Chain Management program will be offered at UW-Stout with future plans to offer the program completely online. When all courses are available online, the program will also be marketed to students with two-year associate degrees and appropriate work experience as a degree-completion program.

The Supply Chain Management program will be led by the Business Department within the College of Management. The program's curriculum consists of 124 credits, of which 42 credits will be General Education courses, and 82 credits will be Business and Supply Chain Management core courses.

The curriculum will make use of faculty expertise in the Business, Engineering and Technology, and Operations and Management Departments, integrating and building upon key elements of each. In the core 82 credits in Business and Supply Chain Management, students will be trained to apply major supply chain strategies such as integration, simulation, and analysis as well as technology applications. The program will equip students to bring to their workplaces knowledge of innovative supply chain processes, customer service skills, analysis of quality and delivery performance, and strategies for minimizing total costs of goods and services. All students will graduate with the skills for applying best practices and applying state-of-the-art technologies to improve business performance. Due to the global nature of Supply Chain Management, the curriculum will also include components addressing global diversity, inter-cultural communication, and world geography. In addition, students will participate in industry-sponsored projects and complete an internship or co-op experience as part of the program requirements.

Three new courses will be offered for the core Supply Chain Management program, including a one-credit "Introduction to Supply Chain Management," a three-credit "Negotiation and Supply Chain Contracts," and a three-credit "Supply Chain Internship or Co-op." A cumulative 3.0 GPA is required based on credits taken in Analytical Reasoning as part of the general education requirements, the Business and Management Core, and the Supply Chain Management Core.

Program Goals and Objectives

UW-Stout has identified the following expectations and learning outcomes for all graduates of baccalaureate degree programs. Graduates will possess:

1. The fundamental skills and knowledge defined by the university's approved goals for General Education.
2. The skills needed to perform successfully at the entry level in a career of their choice, and the ability to learn and adapt that will support their continuing career growth and development.
3. The skills and attitudes necessary to have healthy interpersonal relations in professional, civic, and personal life.

As a program that offers highly specialized and high-tech education to undergraduates, upon completion of the Supply Chain Management program the successful graduate will be able to:

1. Integrate general education competencies into supply chain management professional studies and their personal lives.
2. Analyze markets and financial performance to provide leadership to supply chain business partners.
3. Design, manage, and optimize critical components of supply chain systems, organization and operations.
4. Integrate engineering and manufacturing practices into global business strategies to improve financial and operational performance.
5. Apply ethics, business, management, engineering, operations and processes to diverse supply chain and business environments.

Relation to Institutional Mission

The Supply Chain Management program will contribute to the advancement of UW-Stout's mission and strategic plan and is consistent with the university's polytechnic designation. The University of Wisconsin-Stout has a select mission that is "characterized by a distinctive array of programs leading to professional careers focused on the needs of society." The creation and implementation of the Bachelor of Science Supply Chain Management program will add to the distinctive array of programs at UW-Stout and will also help meet the needs of the workforce.

The Supply Chain Management program has been designed with input from industry, which will provide partners in supporting students throughout their studies and after graduation. The enthusiasm of these partners for the degree articulates well with the educational goals implicit in Stout's polytechnic mission, which prompts the University to "work closely with business, industry and other educational institutions to benefit the students and grow the economy." Finally, the addition of a major in Supply Chain Management to the UW-Stout program array is in direct alignment with the university's strategic plan and the missions and strategic plans of the participating departments on campus.

Program Assessment

An objectives-based assessment tool will be used to evaluate students' progress in achieving competency of the defined program objectives. This will be accomplished through a pre- and post-test assessment developed by program faculty. The pre-test will be administered by faculty in the "Introduction to Supply Chain Management" course and the post-test will be administered by faculty in the "Supply Chain Systems Design" seminar. The results of this assessment will be reviewed on an annual basis and communicated to program faculty in order to improve course design and pedagogical techniques.

Project-based assessment is administered by faculty in several of the Supply Chain Management courses including: "Principles of Logistics," "Procurement, Sourcing and Supply Chain Management," "Industrial Enterprise Practicum," and "Quality Management." Students in the Supply Chain Management program will be required to create an e-portfolio that contains their significant project-based assessments. The creation of an e-portfolio will be a program requirement that serves to assess overall student performance and mastery of learning outcomes in a real-world context. A stratified sample of student portfolios will be assessed by a team comprised of select faculty and advisory board members using a rubric that is based on the program objectives.

Further, students will be required to participate in an internship or co-operative education experience related to the Supply Chain Management field. As part of this internship or co-op experience, the student will receive feedback from the employer in the areas of job performance skills, personal characteristics, opportunities for improvement, and overall performance. The employer evaluations will be reviewed by the program director to assess the preparation of the students for graduation.

UW-Stout's Planning and Review Committee (PRC) will conduct a formal review of the program five years after implementation, to coincide with the UW System joint review, and thereafter on a seven-year cycle. The initial PRC review will provide information that will be utilized in the joint review process with UW System. The PRC review process is extensive, including surveys of students, faculty, and program advisory committee members, a self-assessment report by the program director, and a review of the program's enrollment, retention rates, graduation rates, and placement rates. A formal hearing is conducted by the PRC with the program director, department chair, and dean. A report with recommendations is presented by the PRC to the Faculty Senate, Provost, and Chancellor. If there are issues of concern, an interim status report may be required prior to the next scheduled review.

Need

Driven by pressures of globalization, cost control, increased customer service levels and high quality requirements, many successfully competing Wisconsin businesses are seeking employees with specialized skills in Supply Chain Management. The supply chain represents approximately 70 to 80 percent of the cost structure of a typical company. It requires both broad and deep knowledge to analyze data, make decisions, and execute critical business processes across the supply chain. More importantly, the complexity, integration and interaction of each

supply chain process drives the necessity for operating an efficient supply chain in order to compete.

In September 2008, Wisconsin Governor Jim Doyle issued a study entitled, "Wisconsin Next Generation Manufacturing Survey," reiterating his commitment to "building on our strong legacy of manufacturing" by "focusing on efficiency and lean manufacturing principles." The governor's plan "targets $85 million in existing and new tax credits to leverage $1.6 billion in private capital investment"(www.wmep.org).

More than 500 manufacturers responded to a survey that sought to document employer demand for Supply Chain Management majors. Fifty-three percent of the respondents in West Central Wisconsin and thirty-six percent of respondents state-wide ranked Supply Chain Management as "highly important to their organization's success over the next five years." The response rate of thirty-six percent is the third highest ranking of all strategies that are considered highly important by manufacturers, following "Superior Processes/Improvement Focus" (61%), and "Customer Focused Innovation" (55%). It should be noted that Supply Chain Management has a strong influence on the first- and second-ranked strategies because it is a core element of "Superior Processes/Improvement Focus" and "Customer Focused Innovation."

The U.S. Department of Labor - Bureau of Statistics predicts growth during 2006-2016 in careers related to Supply Chain Management, including wholesale trade and distribution, management, warehousing, transportation, purchasing managers, inventory managers, buyers and import/export agents. Specifically, the projected Job Growth during the period of 2006–2016 (Bureau of Labor Statistics, www.bls.gov) for career titles aligned with SCM education is as follows:

- Management Analysts/Consultants: 22% growth
- Industrial Engineers: 20% growth
- Operations Research Analysts: 11% growth
- Purchasing Managers: 3% growth
- Cargo and Freight Agents: 16% growth
- Warehousing and Storage: 33% growth

UW-Stout's Program Advisory Board unanimously endorsed the plan to develop a major in Supply Chain Management. The advisory board is comprised of established businesses in Wisconsin and includes leaders from 3M, Ariens Corporation, IBM, Lockheeed Martin, Mercury Marine and Oshkosh Truck.

Projected Enrollment (5 years)

The table below lists anticipated enrollment figures for the first five years. These predications are based on a UW-Stout institution-wide 80% retention rate of continuing students, the spring program start date, general institutional data regarding enrollment, retention,

placement and graduation as well as data derived from studying the enrollment trends in Supply Chain Management related concentrations and minors. [2]

Year	Implementation Year Spring 2010	2nd Year 2010-2011	3rd Year 2011-2012	4th Year 2012-2013	5th Year 2013-2014
New Students Admitted	5	15	20	25	25
Continuing Students	0	4	13	25	36
Total Enrollment	5	19	33	50	61
Graduating Students	0	2	2	5	10

Comparable Programs in Wisconsin

Due to the demand for qualified individuals in the Supply Chain Management, there has been an increasing trend for universities to broaden their existing Operations Management programs to include Supply Chain Management in the degree title. Many of the comparable programs offered in the UW System are Bachelor of Business Administration (BBA) degrees. The UW-Stout program, however, is designed as a Bachelor of Science program in Supply Chain Management and thus presents a unique and unduplicated offering within the UW System. Although there are programs offered at other UW System institutions that include components of Supply Chain Management, this Bachelor of Science program would fill a void that currently exists in the rapidly developing I-94 corridor and across the Wisconsin, Minnesota, Michigan, and Illinois region.

Comparable Programs outside Wisconsin

In the states adjacent to Wisconsin, few similar programs exist. Michigan State University offers a B.S. and M.S. in Supply Chain Management. The University of Michigan offers a B.S.B. in Supply Chain Management, and Western Michigan offers a B.B.A. in Integrated Supply Management but none of these programs typically recruit students that are targeted by the UW-Stout program.

[2] UW-Stout has a high placement rate that is attractive to potential students. Ninety-six percent of graduates in 2006-2007 reported being employed and 77.2% reported being employed in their field. The Supply Chain program will be attractive to new freshmen, non-traditional students and transfer students. In fact, UW-Stout attracts the highest number of transfers from technical colleges in the UW System and ranks third in the UW System for total transfers.

Collaboration

Collaboration will be an essential part of the Supply Chain Management Program. Collaboration opportunities have been explored with Auburn University and Western Michigan University and both universities are interested in exchanging coursework with UW-Stout. In addition, UW-Stout has had conversations with UW-Superior and Northeast Wisconsin Technical College (NWTC) to explore collaboration opportunities and articulation agreements.

Diversity

In the increasingly diverse U.S. society, there is a growing need for people in the workplace to understand diversity and global issues. Through its curricula and focus on preparing students for the global economy, the Supply Chain Management program will help graduates engage with the fundamentals of multiculturalism and global perspectives. The program director will work collaboratively with Admissions and Multicultural Student Services to recruit and retain minority and other underserved populations.

The table that follows details the enrollment statistics for the College of Management by ethnicity. The data shows 9.6% of the students enrolled in the College of Management are classified as an ethnicity other than White/Caucasian. The Supply Chain Management program's target for minority student enrollment will be 5% by the end of the 5th year of implementation.

College of Management Enrollment by Ethnicity

	Frequency	Percent
African American/Black	31	1.2
American Indian/Alaskan Native	23	.9
Hispanic/Latino	31	1.2
International	62	2.5
Other Asian	32	1.3
Southeast Asian	28	1.1
Two or More Race Ethnicities	3	.1
Unknown	33	1.3
White/Caucasian	2270	90.3
Total	2513	100.0

The Supply Chain Management program has also established a target for women enrolled in the program with a goal of achieving 15% women enrollment by the end of the 5th year of implementation. This target has been established based upon the current enrollment data in the College of Management "Enrollment by Gender table" below.

College of Management Enrollment by Gender

	Males	Females	% of Females
Business Administration	558	329	37.09
Golf Enterprise	156	15	8.77

Management			
Hotel, Restaurant and Tourism Management	255	317	55.42
Retail, Merchandizing and Management	12	304	96.20
Service Management	34	26	43.33

Students in the Supply Chain Management program will be exposed to a diverse set of faculty, academic staff, and students. In the College of Management, 29% of faculty are women and 10% are minorities.

The Supply Chain Management Program will offer curricular infusion of diversity principles and inclusiveness practices, particularly in courses such as "Introduction to Geography," "Business Law," "Organization Leadership," "Principles of Management," "Industrial Enterprise Practicum," and "Training Systems in Business and Industry."

Students enrolled in the Supply Chain Management program will be encouraged to participate in study abroad opportunities. "Organizational Leadership" and "Global Manufacturing" are both offered as study abroad courses. A study abroad experience helps to prepare students for participation in the global workforce and also provides an opportunity for personal growth.

Evaluation from External Reviewers

The Supply Chain Management program at UW-Stout was reviewed by three professors from established Supply Chain Management programs at Western Michigan University and Auburn University.

"With this program," one evaluator remarked, "UW-Stout will be joining a relatively small group of schools that has been able to integrate a technical component with a more traditional supply management curriculum. This combination meets a significant need and has proved to be very valuable in the marketplace." Another external consultant concluded that "[T]he [SCM] curriculum presents an interesting and somewhat novel model by attempting to bring together coverage of relevant topics from across business and engineering. We know from our own work experience and feedback we receive from companies recruiting our students that people possessing a high degree of expertise across business and engineering skills are highly coveted and difficult to find."

Resource Needs

The Supply Chain Management program has been developed by leveraging existing resources and will be funded by the College of Management. Existing faculty resources adequately cover the initial delivery of the program, with the exception of a .25 FTE program director who will advise the majors and provide leadership to the program, for whom a total of $19,515 will be needed. Clerical support will be provided by .10 FTE at $2,144. Services and supplies are budgeted at $8,000 and $3,000 is included for new program resources.

Enrollment projections anticipate gradual increases over a five-year period. The current cost line in the budget includes FTE that support the currently existing Supply Chain Management sub-majors. These are existing faculty and staff who will continue teaching cross-disciplinary courses counting for graduation in existing programs. These same courses will accommodate the students who will be enrolled in the new program without compromising acceptable and pedagogically appropriate teacher-student ratios. UW-Stout leadership projects that during the first five years of operation, in addition to continuing current costs, one-to-two sections per year of new courses will be added to departmental offerings. Existing faculty within the Business Department will also teach the new courses that are listed in the proposed curriculum and no new hires are therefore anticipated. The demand for the new and existing courses will be gradual as enrollment increases over a three-to-five year period.

The numbers presented in the current cost lines of the budget reflect current resources that will be needed to deliver the B.S. Supply Chain Management program. Cost coverage for what is presented in the budget as additional cost in delivering the new major, will be met by reallocation of internal resources within the College of Management.

RECOMMENDATION

The University of Wisconsin System recommends approval of Resolution I.1.b.(2), authorizing the implementation of the Bachelor of Science in Supply Chain Management at the University of Wisconsin-Stout.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review (November 10, 1995)
Academic Informational Series #1 (ACIS-1.0, Revised June 2009)

Budget

	FIRST YEAR		SECOND YEAR		THIRD YEAR	
CURRENT COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel						
Faculty/Instructional Staff	1.00	99,400.00	2.00	199,000.00	3.20	318,080.00
Graduate Assistants						
Non-instructional Academic/Classified Staff	0.10	2,144.00	0.10	2,186.00	0.10	2,190.00
Non-personnel						
Supplies & Expenses		8,000.00		8,000.00		8,000.00
Capital Equipment						
Library		3,000.00		3,000.00		3,000.00
Computing						
Other (Define)						
Subtotal		112,544.00		212,186.00		331,270.00
ADDITIONAL COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel	0.25	19,515.00	0.25	19,905.30	0.25	20,303.41
Nonpersonnel						
Other						
Subtotal		19,515.00		19,905.30		20,303.41
TOTAL COSTS		132,059.00		232,091.30		351,573.41
CURRENT RESOURCES						
General Purpose Revenue (GPR)		112,544.00		212,186.00		331,270.00
Gifts and Grants						
Fees						
Other (Define)						
Subtotal		112,544.00		212,186.00		331,270.00
ADDITIONAL RESOURCES						
GPR Reallocation (Specify source)		19,515.00		19,905.30		20,303.41
Gifts and Grants						
Fees						
Other (Define)						
Subtotal		19,515.00		19,905.30		20,303.41
TOTAL RESOURCES		132,059.00		232,091.30		351,573.41

Program Authorization (Implementation)
M.S. in Medical Dosimetry
University of Wisconsin-La Crosse

EDUCATION COMMITTEE

Resolution I.1.b.(3):

That, upon recommendation of the Chancellor of the University of Wisconsin-La Crosse and the President of the University of Wisconsin System, the Chancellor be authorized to implement the M.S. in Medical Dosimetry.

NEW PROGRAM AUTHORIZATION
Master of Science Degree – Medical Dosimetry Program
UW-La Crosse

EXECUTIVE SUMMARY

BACKGROUND

In accordance with the procedures outlined in Academic Planning and Program Review (ACIS-1.0, Revised June 2009), the new program proposal for a Master of Science in Medical Dosimetry (MS in DOS) at UW-La Crosse is presented to the Board of Regents for consideration. If approved, the program will be subject to a regent-mandated review to begin five years after its implementation. UW-La Crosse and System Administration will conduct that review jointly, and the results will be reported to the Board.

The proposed Master of Science in Medical Dosimetry will be an on-line degree that is housed within the Health Professions Department of the College of Science and Health. The new degree will be a build-on to the very successful post-professional certificate in Medical Dosimetry originally implemented in 2003, nationally accredited in 2007, and with a 100% retention and graduation rate during its first 5 years. The field of Medical Dosimetry is growing and changing at a fast rate with new cutting-edge technologies and research. Current practitioners in the field are thus faced with the need for further expertise and more complex learning. Additionally, on a national level, there is a documented dearth of graduates in the field. The new Master of Science degree will enable current practitioners of Medical Dosimetry, as well as those practicing in related fields (radiation therapists, radiographers, medical physicists, nuclear medicine technologists) to gain more in-depth expertise and become Board Certified in Medical Dosimetry. The University of Wisconsin-La Crosse is uniquely positioned—in the UW System, the state, and nationally—to offer this new on-line degree because of its the faculty expertise and institutional experience in providing Medical Dosimetry education. No state funds are requested for this proposed degree as it will be fully funded by tuition. Based on these factors and on the recommendations by the national professional organization for Medical Dosimetry, UW-La Crosse is requesting authorization to implement a Master of Science Degree in Medical Dosimetry.

REQUESTED ACTION

Approval of Resolution I.1.b.(3), authorizing the implementation of a Master of Science in Medical Dosimetry in the Health Professions Department at UW-La Crosse.

DISCUSSION

Program Description

Medical Dosimetry Profession Defined:

Medical Dosimetry involves the design, calculation, and measurement of radiation dose portals for the treatment of cancer patients. The Medical Dosimetrist uses three-dimensional computer technology combined with imaging modalities, such as Computerized Tomography (CT) or Magnetic Resonance Imaging (MRI) to plan the delivery of high radiation doses to the tumor area to minimize radiation damage to the surrounding tissues.

The Master of Science in Medical Dosimetry curriculum is a 32-46 credit, 20-month program including summers. It is designed with three routes of admission for students with different educational backgrounds: radiation therapists (Track A); non-radiation therapy professionals, e.g. radiographers, physicists, nuclear medicine technologists etc. (Track B); or certified medical dosimetrists (Track C). Because the prior educational preparation of students in each track differs, degree-completion requirements for each track differ. Tracks A & B (46 credits) include professional content and advanced graduate work. Track C students have previously taken professional coursework and are required to complete 32 credits of advanced graduate work for the degree. A cohort of 10 students will be admitted annually. On-line didactic coursework delivered asynchronously using the university's on-line learning platform, Desire2Learn (D2L) along with various Web 2.0 tools, will occur during the entire length of the program. Clinical internships are completed at affiliated radiation oncology facilities around the country throughout the curriculum. Students are supervised during their internships by adjunct faculty at the affiliated internship site.

Program Goals and Objectives

The Medical Dosimetry program mission is to educate medical dosimetrists who are knowledgeable, technically competent, and dedicated to their profession and their patients. The program is committed to meeting the educational needs of its students by offering on-line education in conjunction with convenient clinical internship sites. The program goals are to:

- Prepare clinically competent entry-level medical dosimetrists;
- Teach students the art and science of medical dosimetry to prepare them to apply these principles with scholarly rigor in clinical situations; and
- Prepare medical dosimetrists with effective communication skills, ethical professional practices, and commitment to life-long continued learning.

Relation to Institutional Mission

This program is consistent with the UW-La Crosse Mission to offer graduate programs and degrees related to areas of emphasis and strength within the institution, provide service and professional expertise, and meet the broader educational needs of the region. The program implements selected aspects of the UW-La Crosse and the College of Science and Health

Strategic Plans. The Medical Dosimetry program is part of the array of health professional programs that have become a hallmark of UW-La Crosse.

Program Assessment

The Medical Dosimetry Program assessment plan measures both student learning outcomes and overall program effectiveness in meeting the program goals. Student learning will be measured through tests, demonstration of clinical competencies, graded projects, clinical supervisor evaluations, and self- and peer-evaluations. Following graduation, students will take the national Medical Dosimetry Certification Board (MDCB) examination. Student scores, compared with national norms, will be used in continual curricular self-study. The national accreditation body, the Joint Review Committee on Education in Radiologic Technology (JRCERT), requires initial accreditation, annual reports, and a comprehensive re-accreditation self-study with an on-site review every eight years. Curriculum revisions will be made annually to address identified weaknesses and to maintain a curriculum consistent with current standards for practice. Program effectiveness will be measured by the following criteria:

- At least 90% of students admitted to the program will successfully complete and graduate from the program, over three years;
- The program's pass rate for first-time takers of the national certification board exam will be no less than 75%, over five years;
- At least 75% of the graduates' supervisors will rate the graduates' preparation as good or better across tasks reflecting the program objectives;
- At least 75% of graduates will rate their academic preparation as good or better across tasks reflecting the program objectives; and
- At least 75% of the graduates will be employed within 6 months of graduation, over five years.

Need

The need for radiological science professionals is increasing nationally as the population ages and the incidence of cancer increases. This increased demand for radiation services results in a very good job outlook for medical dosimetrists. Presently, only a total of 45 students graduate each year from the 13 medical dosimetry programs in the country (certificate, bachelors, and masters combined). The national workforce demand for medical dosimetrists is not being met.

In 2006, the American Society for Therapeutic and Radiation Oncology (ASTRO) demonstrated a medical dosimetry shortage of approximately 2,300 individuals. The American Association of Medical Dosimetrists (AAMD) states that 60% of medical dosimetrists are between the ages of 35-39 and 25% over the age of 50. Attrition due to retirement can be expected to increase the need for more graduates within the next ten years.

Projected Enrollment (5 years)

The program will be phased in over three years: a cohort of 6 students will be admitted in the first year with a maximum of 10 students admitted in year three and beyond. The retention rate in the certificate program has been 100%, and a similar retention rate in the Master of Science in Medical Dosimetry is projected.

Year	Implementation year **2010-2011**	2nd year **2011-2012**	3rd year **2012-2013**	4th year **2013-2014**	5th year **2014-2015**
New students admitted	6	9	10	10	10
Continuing students	0	6	9	10	10
Total enrollment	6	15	19	20	20
Graduating students	0	6	9	10	10

Note: this table reflects a 100% retention rate.

Comparable Programs in Wisconsin and the Country

There are no other Medical Dosimetry programs in the state of Wisconsin. There are only three other Medical Dosimetry programs in the country that offer a masters degree: none of them are offered exclusively online.

Institution	Degree	Applicants	Credits	JRCERT Accredited	Tuition
University of Oklahoma	MS, Medical Dosimetry (5 semesters)	• BS/BA in Radiation Therapy	40	No	$6,240 In-state $16,400 Out-State
*Medical College of Georgia	Master of Health Science, Medical Dosimetry (5 semesters)	• BS/BA in Radiation Therapy • BS/BA in Related Areas considered	74-78	No – in process	$15,655
*Southern Illinois University - Carbondale	MS, Medical Dosimetry (3 semesters)	• BS/BA in Radiation Therapy • BS in Biological or physical science considered.	30	Yes	$12,000

* Programs offering hybrid distance-education programs

Collaboration

The current UW-La Crosse Medical Dosimetry post-professional certificate is the only Medical Dosimetry program in Wisconsin and Minnesota. Consultation with UW-Madison and UW-Milwaukee indicate that neither of these institutions plans to develop a Medical Dosimetry program. In the spring of 2004, the University of Wisconsin Hospitals were contacted and

offered an affiliation with the UW-La Crosse Medical Dosimetry program, which was declined. The program collaborates with other programs in the Health Professions Department and institutions serving as clinical intern sites.

Affiliated clinical internship sites for the program include: Gundersen Lutheran, La Crosse; Loyola Medical Center, Chicago; University of Illinois, Chicago; St. Paul Cancer Center, St. Paul; Cancer Care of Western New York, New York; Columbia St. Mary's, Milwaukee; University of Kentucky Hospital Cancer Center, Louisville, KY; and Minneapolis Radiation Oncology (3 sites), Minneapolis.

Diversity

The on-line education delivery mode facilitates attracting students of diverse backgrounds who are located in various geographic locations throughout the United States. Twenty-one percent of applicants for the current Medical Dosimetry Certificate Program were self-identified as non-Caucasian; similar diversity is expected in the applicants to the MS in DOS program. The current certificate program enrollment demonstrates a male-to-female ratio of 26% male to 74% female. Overall, the profession is predominantly female. Diversity is viewed by the program as a valued resource for academic, professional, and personal development. All students in the program are supported through individualized attention. The on-line delivery platform allows instruction to be tailored to various learning styles. Clinical sites are selected in geographic locations convenient to the students so they do not have to relocate. Diverse student perspectives are encouraged and valued by the program.

UW-La Crosse has a strong diversity hiring process which is followed for all new hires. The on-line delivery platform increases the potential for faculty/staff applicants to live anywhere in the country and teach in the program. Faculty and Instructional Academic Staff are valued and respected for their unique perspectives and supported as they progress in their careers. The proposal indicates the hiring of an additional 1.0 FTE Education Coordinator. A diverse recruitment and hiring process will be used to add this 1.0 FTE IAS position.

Students are expected to develop multi-cultural competency during their coursework. All students are required to take a Diversity and Culture in Healthcare course and students will have multiple clinical opportunities to work with patients and staff of diverse backgrounds. Professionalism and effective communication skills are evaluated monthly and students are given routine and regular feedback about strengths and areas for improvement. In order to successfully pass clinical internships, students are required to demonstrate competency in communication with patients and staff from diverse backgrounds.

Evaluation from External Reviewers

Two experienced medical dosimetry educators who are highly regarded nationally reviewed the MS in DOS proposal in June, 2009. As the major strength of the proposal, the reviewers praised the innovative, contemporary curriculum that both meets accreditation standards and reflects the current educational directions of the Medical Dosimetry profession. In addition, the reviewers cited the program's extensive experience delivering medical dosimetry

education on-line in the Certificate Program, the excellent pass rates in that program, and the ability of the program to attract diverse students as strong assets. The only suggestion for change was to add courses in health care administration or other general health care courses to make a well-rounded degree. In response to this reviewer's comments:

- Health care management content was clearly identified in the quality assurance and operational issues courses;
- Contemporary Health care issues content was clearly identified in the professional issues course; and
- Evidence-based practice content was clearly identified in the research methods courses.

While it would be ideal to require courses from outside of the program as part of the degree, curricular decisions were made to limit the number of credits (and thus the expense) to those required to fulfill the professional and university requirements. The changes noted above address the reviewer's suggestion while maintaining the same credit load.

Resource Needs

An additional 1.0 FTE Instructional Academic Staff (IAS) member (annual appointment) is required to assist with teaching the courses needed for two cohorts in the program, as well as to supervise the internship sites. This position is required to fulfill accreditation requirements to manage the clinical internships. The current program director of the Certificate Program will teach the upper-level professional courses and administer the program. The current support staff services are adequate to manage this program: no capital equipment, office, or facilities are needed due to the on-line delivery platform. The program will pay administrative and on-line education fees to the university.

The MS in DOS program is designed as a distance-education program with tuition set at a rate to meet the expenses of the program. It is anticipated that tuition for the program will be set at $400 per credit in year one, and increase by 6% per year in subsequent years. The first two years of the program are projected to run an operating deficit due to the additional personnel required to implement the program. The certificate program has been accumulating a reserve to support the initiation of a master's degree and these start-up expenses will be paid out of this reserve. By year three of the program, the projected $395,180 in tuition revenue will fully support the expenses of the program. No state funding is requested for the program.

RECOMMENDATION

The University of Wisconsin System recommends approval of Resolution I.1.b.(3), authorizing the implementation of the Masters of Science in Medical Dosimetry at the University of Wisconsin-La Crosse.

RELATED REGENT POLICIES

University of Wisconsin System Academic Planning and Program Review (November 2007)
Academic Informational Series #1 (ACIS-1.0, Revised June 2009)
University of Wisconsin System Academic Planning and Program Review. Appendix C: *Principles for Pricing Distance Education Credit Courses, Degree and Certificate Programs*.
Academic Informational Series #5.4 (ACIS 5.4, Revised September 2000)

BUDGET
Estimated Total Costs and Resources

	FIRST YEAR		SECOND YEAR		THIRD YEAR	
CURRENT COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel						
Instructional Staff (Director)	1.0	$107,011	1.0	$109,152	1.0	$111,334
Benefits		$47,060		$48,572		$49,544
Subtotal		**$154,071**		**$157,724**		**$160,878**
Graduate Assistants						
Classified Staff	.25	$7,204	.25	$7,492	.25	$7,790
Benefits		$4,250		$4,420		$4,596
Subtotal		**$11,454**		**$11,912**		**$12,386**
Non-personnel						
Supplies & Expenses	**$20,000**		**$20,000**		**$20,000**	
Capital Equipment						
Library						
Computing						
Subtotal	**$185,525**		**$189,636**		**$193,264**	
ADDITIONAL COSTS	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Personnel (Education Coord)	1.0	$80,000	1.0	$81,600	1.0	$83,232
Benefits		$35,600		$36,312		$37,038
Subtotal		**$115,600**		**$117,912**		**$120,270**
Nonpersonnel (overhead)[1]	**$14,578**		**$31,875**		**$39,518**	
Other (online fees)	-		**$18,675**		**$41,950**	
Subtotal	**$130,178**		**$168,462**		**$201,738**	
TOTAL COSTS	**$315,703**		**$358,098**		**$395,002**	
CURRENT RESOURCES						
General Purpose Revenue						
Gifts and Grants						
Fees	**$188,000**		**$298,496**		**$368,180**	
Other (Board Review)[2]	**$20,250**		**$20,250**		**$27,000**	
Subtotal	**$208,250**		**$318,746**		**$395,180**	
ADDITIONAL RESOURCES						
GPR Reallocation						
Gifts and Grants						
Fees						
Contingency Reserve Funds	**$107,453**		**$39,352**		**-$178**	
Subtotal	**$107,453**		**$39,352**		**-$178**	
TOTAL RESOURCES	**$315,703**		**$358,098**		**$395,002**	

[1] Overhead costs paid to the University by the program for support services at UW-L. This would include things like admissions, cashiers office, registrar, etc. This will be 7% of program revenue for year 1 and then increasing to 10% thereafter.

[2] The program hosts an annual board exam review course each year. The revenue from this course supports the program resources.

Amendments to
Faculty Personnel Rules
University of Wisconsin-Oshkosh

EDUCATION COMMITTEE

Resolution I.1.b.(4):

That, upon recommendation of the Chancellor of the University of Wisconsin-Oshkosh and the President of the University of Wisconsin System, the Board of Regents approves the amendments to the UW-Oshkosh Faculty Personnel Rules.

FACULTY PERSONNEL RULES
UNIVERSITY OF WISCONSIN-OSHKOSH

EXECUTIVE SUMMARY

BACKGROUND

Section UWS 2.02, Wisconsin Administrative Code ("Faculty Rules: Coverage and Delegation") requires that rules, policies, and procedures developed by each institution in the System pursuant to Chapters UWS 3, 4, 5, 6 and 8 must be approved by the Board of Regents before they take effect.

The proposed revisions to the UW-Oshkosh Faculty Personnel Rules concern changes to Chapter 3.10 on "University Faculty and Leave of Absence." The proposed revisions were approved by the UW-Oshkosh Senate on May 12, 2009, and are recommended by Chancellor Wells. They have been reviewed by the UW System Office of General Counsel, which has determined that the changes meet the requirements of Wisconsin Administrative Code.

Following are three versions of each of the relevant sections of the UW-Oshkosh Faculty Policies and Procedures: (A) the original versions before changes; (B) versions with proposed changes highlighted and deletions crossed out; and (C) clean copies as these sections would read subsequent to Board approval.

REQUESTED ACTION

Approval of Resolution I.1.b.(4), approving the revisions to the UW-Oshkosh Faculty Personnel Rules.

DISCUSSION

Changes to Chapter 3.10 of the UW-Oshkosh Faculty Personnel Rules

The proposed changes to Chapter 3.10 of the UW-Oshkosh Faculty Policies and Procedures on "Leaves of Absence" include expanded definitions of types of leaves of absence, including types of sick leave. They also include clarifications to the conditions applying to leaves in terms of duration, sabbaticals, stopping of the tenure clock, and contract renewal. A reference to Chapter 4 of the Faculty Handbook regarding timelines for notifications has been added.

RECOMMENDATION

UW System Administration recommends approval of Resolution I.1.b.(4), approving the revisions to Chapter 3.10 of the UW-Oshkosh Faculty Personnel Rules.

(A)

UW-OSHKOSH Faculty Policies and Procedures on University Faculty and Leave of Absence – ORIGINAL VERSION BEFORE CHANGES

FAC 3.10. Leaves of Absence.

A leave of absence generally includes the following types: leave without pay, sabbatical, professional development semester, externally funded, and extended sick leave. Leaves must be approved at the "department", college, and Vice Chancellor levels. Leaves without pay are approved for a time period of up to one year and may be extended to a maximum of two years. A sabbatical will not be awarded to a faculty member denied reappointment to a permanent position in the year following the sabbatical leave. A leave of absence may be approved prior to the renewal cycle in the first or second year only if it is contingent upon affirmative recommendations for reappointment for the year in which the leave is requested.

The clock stops for probationary faculty on leave for an entire academic year and the faculty member on leave does not go through the renewal process. When the faculty member returns, he or she shall be considered to be in the next year of continuous service and will be evaluated in the appropriate renewal cycle. Upon return, the term of appointment will extend for the same number of years (one or two) beyond the leave period as had been approved prior to the leave. Each year of approved leave will extend the total term of appointment by one year.

After a faculty member has completed two, three, four or five years of continuous service and is granted a leave of absence for an entire academic year, the faculty member is automatically renewed for the two consecutive years following the return from the leave. This is necessary in order to meet the notification timeliness specified in the Faculty Personnel Rules.

A probationary faculty member or continuing academic staff member who requests a one semester leave shall consult with the Provost and Vice Chancellor's Office to determine the appropriate renewal cycles and terms of appointment consistent with the Faculty or Academic Staff Personnel Rules. These terms shall become a part of the request to be approved at all levels.

(B)

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UW-0SHKOSH Faculty Policies and Procedures on University Faculty and Leave of Absence –VERSION SHOWING CHANGES TRACKED

FAC 3.10. Leaves of Absence.

A leave of absence generally includes ~~the following types:~~ leave without pay, sabbatical, professional development semester, externally funded, and extended sick leave, which includes family, medical, domestic partner, and/or other approved leaves. University approved leaves may include circumstances beyond those covered under the Family Medical Leave Act (FMLA). Leaves must be approved at the ~~"~~department~~"~~, college, and Vice Chancellor levels. Leaves without pay are approved for a time period of up to one year and may be extended to ~~a maximum of~~ two years. Leaves beyond two years may be negotiated. A leave of absence outside of FMLA is contingent upon affirmative recommendations for reappointment for the year in which the leave is requested. ~~A sabbatical will not be awarded to a faculty member denied reappointment to a permanent position in the year following the sabbatical leave. A leave of absence may be approved prior to the renewal cycle in the first or second year only if it is contingent upon affirmative recommendations for reappointment for the year in which the leave is requested.~~

~~The clock stops for probationary faculty on leave for an entire academic year and the faculty member on leave does not go through the renewal process. When the faculty member returns, he or she shall be considered to be in the next year of continuous service and will be evaluated in the appropriate renewal cycle.~~ The tenure clock automatically stops, unless otherwise requested, for faculty on leave for equal to or greater than, one semester. The contract is automatically extended for probationary faculty on leave and this person does not go through the renewal process while on leave. When the faculty member returns, he or she shall consult with the Provost and Vice Chancellor's office to determine the appropriate renewal cycle and terms of appointment consistent with the Faculty Personnel Policies. Upon return, the term of appointment will extend for the same number of years ~~(one or two)~~ beyond the leave period as had been approved prior to the leave. Each year of approved leave will extend the total term of appointment by one year.

Refer to Chapter 4, Part B. Faculty Renewal and Tenure in these Faculty Personnel Materials for notification timelines.

~~After a faculty member has completed two, three, four or five years of continuous service and is granted a leave of absence for an entire academic year, the faculty member is automatically renewed for the two consecutive years following the return from the leave. This is necessary in order to meet the notification timeliness specified in the Faculty Personnel Rules.~~

~~A probationary faculty member or continuing academic staff member who requests a one semester leave shall consult with the Provost and Vice Chancellor's Office to determine the appropriate renewal cycles and terms of appointment consistent with the Faculty or Academic Staff Personnel Rules. These terms shall become a part of the request to be approved at all levels.~~

(C)

UW-OSHKOSH Faculty Policies and Procedures on University Faculty and Leave of Absence – CLEAN, ALTERED VERSION AFTER CHANGES WERE MADE

FAC 3.10. Leaves of Absence.

A leave of absence generally includes leave without pay, sabbatical, professional development semester, externally funded, and extended sick leave, which includes family, medical, domestic partner, and/or other approved leaves. University approved leaves may include circumstances beyond those covered under the Family Medical Leave Act (FMLA). Leaves must be approved at the department, college, and Vice Chancellor levels. Leaves without pay are approved for a time period of up to one year and may be extended to two years. Leaves beyond two years may be negotiated. A leave of absence outside of FMLA is contingent upon affirmative recommendations for reappointment for the year in which the leave is requested.

The tenure clock automatically stops, unless otherwise requested, for faculty on leave for equal to or greater than, one semester. The contract is automatically extended for probationary faculty on leave and this person does not go through the renewal process while on leave. When the faculty member returns, he or she shall consult with the Provost and Vice Chancellor's office to determine the appropriate renewal cycle and terms of appointment consistent with the Faculty Personnel Policies. Upon return, the term of appointment will extend for the same number of years beyond the leave period as had been approved prior to the leave. Each year of approved leave will extend the total term of appointment by one year.

Refer to Chapter 4, Part B. Faculty Renewal and Tenure in these Faculty Personnel Materials for notification timelines.

UW System Policy on Advanced-Standing Credit
for *Project Lead the Way* Courses

EDUCATION COMMITTEE

Resolution I.1.c.:

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents adopts the policy on Advanced-Standing Credit for *Project Lead the Way* Courses.

Policy on Advanced-Standing Credit for Project Lead the Way (PLTW) Courses

EXECUTIVE SUMMARY

BACKGROUND

Project Lead the Way (PLTW) is an engineering- and technology-focused curriculum for middle and high schools that is now being offered in nearly 3,500 schools throughout the United States. Currently in Wisconsin, it is being offered in 132 high schools and 74 middle schools with a reported enrollment in those schools of over 27,000 students during the 2009-2010 school year. Several years ago, as students, parents, and legislators learned of this program, the UW System began receiving questions about how UW institutions would consider the work done as part of the program. Two main questions arose: 1) would UW institutions consider PLTW courses as any of the 3 high school science units required for admission; and 2) would UW institutions offer advanced-standing credit for these courses (as do some colleges and universities around the country).

In 2007-08, UW System Administration set up a small workgroup of institutional representatives to look into the question of accepting PLTW courses as among the high school science credits required for admission. As a result of that workgroup, it was decided that all UW institutions would accept at least one PLTW course for high school science credit as long as the other two were from biology, chemistry, or physics.

In January 2009, another workgroup was formed to address the second question regarding whether UW institutions would offer advanced-standing credit for PLTW courses. This workgroup was asked to consider whether a Regent policy was called for that would be applicable systemwide, and if so, to draft recommended language. The workgroup was co-chaired by a staff person from UW System Administration and the UW-Platteville Dean of the College of Engineering, and composed of faculty from all of the UW institutions with Engineering programs, staff with expertise in admissions and transfer issues, and a staff person from the Kern Family Foundation. The Kern Family Foundation of Waukesha is one of the key sponsors of PLTW, and has dedicated its resources to supporting K-12 education in science, technology, engineering, and mathematics, in Wisconsin and neighboring states.

The workgroup recommended that a Regent policy be adopted and the group's draft policy was shared with Provosts to solicit input and comments from all of the institutions. That process resulted in support for the workgroup's recommended policy. The recommended policy follows and is presented to the Education Committee for approval at its December 2009 meeting.

REQUESTED ACTION

Approval of Resolution I.1.c., adopting the policy on UW System Advanced-standing credit for *Project Lead the Way* Courses.

POLICY

Policy on Advanced Standing Credit for Project Lead the Way Courses

The Board of Regents encourages students' intellectual opportunities at all educational levels. Through courses and national examinations offered by Project Lead the Way (PLTW), high school students can master advanced subject matter and document their achievement. High School Students who complete PLTW courses from an approved list* and achieve a 70% or higher on the national PLTW college credit end-of-course exam will receive up to a maximum of six elective credits at all University of Wisconsin System Institutions. Each UW-Institution will further determine whether course equivalent credit or credit in the major should be granted and the appropriate score required to grant credit for those purposes. University of Wisconsin System and University of Wisconsin System Institutions will publish this information in appropriate publications.

*The list of approved PLTW courses is determined and reviewed by representatives appointed by the Deans of each UW Engineering program. The list is posted on the University of Wisconsin System Office of Academic & Student Services website.

DISCUSSION

Based upon its investigation, the workgroup agreed it would be beneficial to have a UW System policy on advanced standing credit for *Project Lead the Way* coursework. The workgroup learned that currently all of the UW institutions with engineering programs were already accepting one or more PLTW courses for advanced standing credit. Most accepted courses for elective credit, and some also offered course-to-course equivalent credit that applied toward a major program. The work group agreed that a Regent policy for advanced placement credit would ensure that all students who complete certain PLTW courses and receive a score of 70% or greater on the associated national test would then receive advanced standing credit for their accomplishment. The group recommended that the policy guarantee a maximum of six credits, and allow individual institutions to decide to award more in specific situations.

Because the PLTW program is still young, the work group decided to limit the policy only to five of the eight PLTW courses, namely: Principles of Engineering; Introduction to Engineering Design; Digital Electronics; Computer Integrated Manufacturing; and Civil Engineering and Architecture. These five courses have a proven record and have had an associated national test for several years. The workgroup also recommended that, in another year or two, UWSA reconvene the workgroup to review whether this approved list should be expanded or revised.

In addition to developing the above policy recommendation, the workgroup also considered the implementation details for how the national test scores would be reported to the institutions and recorded at the institutions. Mark Schroll, of the Kern Family Foundation, worked closely with National PLTW to request that they establish a national reporting system. As a result of the Kern Foundation and the UW System's involvement, PLTW has now contracted with the Educational Testing Service to develop a reporting system that will be similar to that used by the College Board for reporting student scores on Advanced Placement tests to the institutions identified by a student. UW-Platteville has agreed to be a pilot campus to work with National PLTW to refine the fields and file formats and establish the process used to transmit PLTW data to the institutions in a manner that can be easily imported into institutional student information systems.

RECOMMENDED ACTION

UW System recommends approval of Resolution I.1.c., adopting the UW System policy on Advanced-Standing Credit for *Project Lead the Way* Courses.

RELATED REGENT POLICIES

Regent Policy 4-11: Advanced Placement (Regent Resolution 5746, adopted 4/11/91).

UNIVERSITY OF WISCONSIN-MADISON
PRESENTATION OF CAMPUS ACADEMIC PLAN

EXECUTIVE SUMMARY

BACKGROUND

In the effort to improve its effectiveness and spend its meeting time on substantive discussions of the academic issues facing the University of Wisconsin System and its institutions, the Board of Regents Education Committee in conjunction with the Office of Academic Affairs has a more streamlined process in place for considering institutional reports on academic planning, re-accreditation, and general education to the Board of Regents. That process requires each UW institution to periodically present a campus academic plan to the Education Committee. Such presentations allow Committee members to direct their attention to a more comprehensive understanding of each institution's academic program planning and array, as well as the alignment of that array to each institution's distinct mission and identity.

In conjunction with presentations made by the Chancellor and Provost at the December 2009 Board of Regent's meeting, this report provides a summary of the University of Wisconsin-Madison's strategic plan, an update on reaccreditation, an overview of general education, and a broad perspective on the academic environment and program planning. UW-Madison has elected to provide a comprehensive view of the planning environment for several reasons: it has been several years since UW-Madison presented to the Board of Regents on these issues, the reaccreditation project was recently completed, a new strategic planning framework is in place, and the "Wisconsin Experience" is maturing as the context for the educational experience.

REQUESTED ACTION

For information purposes only; no action is required.

DISCUSSION

Mission, Scope, and Context

Founded in 1848 as one of the first acts of the legislature of the newly formed state of Wisconsin, UW-Madison was named a land grant university under the Morrill Act of 1862. Today UW-Madison is one of the largest and most well respected major research universities in the world. UW-Madison is comprised of 13 schools and colleges that include some 120 academic departments and 260 interdisciplinary centers. With approximately 400 academic degree/major programs at the bachelor's, graduate, and professional levels, it has one of the broadest range of program offerings in the United States. Current enrollment includes 42,000 students (28,700 undergraduates; 9,100 graduate students; 2,600 professional students; 1,700 special students), and an estimated 160,000 noncredit contacts annually. Approximately 9,500 students annually complete a degree and UW-Madison has more than 370,000 living alumni. Employees include 2,200 tenured/tenure-track faculty, 7,200 academic staff (instructional, research, and administrative), 5,200 classified staff, more than 5,000 graduate student teaching

and project assistants, and 8,840 student hourly employees. The university's annual expenditures of $2.2 billion dollars include $706 million in research expenditures (2006–07). From 1999–00 to 2008–09, the operating budget grew from $1.4 billion to $2.4 billion, an increase of 70 percent. For 2008–09, state funding and tuition accounted for $839 million of the total budget.

In such a large and complex organization, generating a common vision for academic pursuits requires a substantial effort. UW-Madison used the 2009 reaccreditation project as the basis for a two-year planning project focused on the question "What will it mean to be a great public University in a changing world?" The reports produced by this initiative encompassed the core academic functions of the University and engaged with issues such as integrity, sustainability, building community, global citizenship, discovery and learning, and the public research university. The reports formed the basis of the reaccreditation self-study and the strategic frame work, both described below.

The Strategic Framework –For Wisconsin and the World: Focusing a Great University on its Core Mission, Public Purpose, and Global Reach

The strategic framework for the period 2009–2014 envisions that UW-Madison will be a model public university in the 21st century, serving as a resource to the public, and working to enhance the quality of life in the state, the nation, and the world. The University aims to remain a preeminent center for discovery, learning, and engagement by opening new forms of access to citizens from every background; creating a welcoming, empowered, and inclusive community; and preparing current and future generations to live satisfying, useful, and ethical lives. In partnership with the state and with colleagues around the world, the university's faculty, staff, and students will identify and address many of the state's and the world's most urgent and complex problems. There are six strategic priorities that drive planning, each of which has associated initiatives for 2009-10, including:

- Provide an exemplary undergraduate experience:
    - Continue to develop the Wisconsin Experience, and more fully integrate the essential learning outcomes into the student experience.
    - Continue and more fully develop the Common Book Project.
    - Use funds generated by the Madison Initiative for Undergraduates in service of need-based financial aid, faculty and instructional support, and educational and student services reforms.
- Reinvigorate the Wisconsin Idea and renew the commitment to the public mission:
    - Enhance university relation's programs and structures.
    - Address complex societal problems, engaging a full range of disciplines.
- Invest in scholarly domains of existing or potential strength and impact:
    - Improve the administration of the research enterprise.
    - Develop more graduate student funding and support mechanisms.
- Recruit and retain the best faculty and staff, and reward merit:
    - Improve start-up packages; optimize use of available funds.
- Enhance diversity in order to ensure excellence in education and research:
    - Audit and evaluate the range of current curricular offerings related to diversity issues.

  - Improve recruiting and retention practices for faculty.
- Be responsible stewards of the University's resources:
  - Through the Administrative Process Redesign project, streamline selected processes.
  - Identify and seek to change regulations and policies that impede efficiency.

All UW-Madison schools and colleges have strategic plans that are aligned with the campus strategic framework.

The Reaccreditation Project

UW-Madison hosted the Higher Learning Commission (HLC) site visit team in April 2009. UW-Madison used the reaccreditation project to conduct a special-emphasis self study on strategic planning and the question of how best to prepare for the future in a rapidly changing world. Preparations were marked by a high level of inclusiveness and transparency that engaged an estimated 6,000 stakeholders in a variety of ways and more than 300 faculty, staff, and students in development of the self-study over a two-year period. The self-study, entitled "For Wisconsin and the World: A Great Public University," is comprised of one major section structured around evidence to satisfy the criteria for accreditation and a second major section focused on the six thematic topics of the special emphasis study. The self-study envisions that UW-Madison will remain a preeminent research university that offers a first-rate education and fully expresses its mission as a land-grant university that reaches out to exchange and share knowledge and ideas with communities beyond the university.

In October 2009, UW-Madison was reaccreditated by the Higher Learning Commission for a ten-year period: the next site visit will be scheduled in 2019. The report of the site visit team was strongly positive about the progress UW-Madison has made in the past 10 years and about plans for the future. The report was rich in advice for continued success. For example, the report writers suggested that UW-Madison review the extent of decentralization and consider whether additional coordination or centralization in some areas would better serve institutional needs (examples include diversity programming and information technology) and they recommended that UW-Madison find ways to exercise greater self-determination through removal of some of the external regulatory and statutory framework that limit operational flexibility.

The Wisconsin Experience at UW-Madison and the Essential Learning Outcomes

UW-Madison has adopted a framework to describe the educational experience promoted on campus as the Wisconsin Experience, in which students learn to live the Wisconsin Idea. Put simply, the Wisconsin Experience teaches students how to positively impact the world through collaborative, inquiry-based application of knowledge.

The Wisconsin Experience is delivered through participation in a variety of high-impact educational practices (HIPs) that lead to a set of learning outcomes that have been embraced university-wide—the Essential Learning Outcomes (ELOs). The ELOs and HIPs were adapted from the Liberal Education for America's Promise (LEAP) project of the American Association of Colleges and Universities (AAC&U) because they were an excellent fit for the collected

learning goals expressed, either explicitly or implicitly, by UW-Madison faculty and staff across a range of disciplines and governance documents that had been created over many years. Examples of HIPs available for UW-Madison undergraduates include first-year interest groups (FIGs), residential learning communities, study abroad, service learning/community-based research, scholarly research with a faculty member, capstone experiences, thesis projects, internships, and practica. For 2008-09 bachelor's degree recipients, 89% of all bachelor's degree recipients had a record of participating in at least one of these experiences, and 69% participated in two or more.

The Wisconsin Experience provides a unifying framework for faculty and staff to design, deliver, evaluate, and improve UW-Madison students' comprehensive (in-and out-of-class) educational experience. It also provides a framework to communicate with internal and external audiences about the learning experience. Although the Wisconsin Experience is most evident for undergraduates, it applies to all student levels and all program areas. The Wisconsin Experience is inherent in the nature of the graduate and professional experience, which provides high-engagement inquiry, focused research, and professional training aimed at improving the human experience.

General Education

The purpose of the General Education Requirements is to deliver the essential core of an undergraduate education for all undergraduates. This core establishes a foundation for living a productive life, being a citizen of the world, appreciating aesthetic values, and engaging in lifelong learning in a continually changing world—that is, participating in the Wisconsin Experience. These requirements provide for breadth across the humanities and arts, social studies, and natural sciences; competence in communication, critical thinking and analytical skills appropriate for a university-educated person; and investigation of the issues raised by living in a culturally diverse society. General education plays a cornerstone role in building competency in the ELOs through:

1. strong intellectual and practical skills (for example critical and creative thinking, written and oral communication, quantitative literacy, information literacy, teamwork, problem solving);
2. basic knowledge of human cultures and the physical world and, importantly, the strategies used to understand these topics;
3. tools intended to contribute to student sense of personal and social responsibility; and
4. integrative thinking across disparate areas of knowledge and skills.

In combination with general education, students' educational experience in their major and in co-curricular activities offers learning experiences for what they need to know to make a living, and to make a life.

Students complete general education requirements by selecting from many courses in communication, quantitative reasoning, ethnic studies, and breadth across the disciplines (natural science, humanities/literature/arts). Ethnic studies course criteria require that "course material illuminates the circumstances, conditions, and experiences of racial and ethnic minorities in the United States." Many courses that satisfy general education requirements also count toward

other program requirements. The general education requirements have been in place since 1996. Assessment studies show that they continue to meet the intended goals. At least one major assessment or evaluation project is conducted each year as a basis for determining if any improvements are needed to more effectively connect the delivery with the intent of general education. For example, currently the University General Education Committee is reviewing the breadth requirements (natural science, humanities/literature/arts, social studies) and evaluating how best to connect breadth requirements with the essential learning outcomes.

Diversity: Seeding Inclusive Excellence

Enhancing diversity is necessary for excellence in carrying out the educational, research, and outreach missions of the University. Four key goals have emerged that will serve as the centerpiece of the diversity agenda and represent the strategy of seeding inclusive excellence in all of the University's academic activities:

- Increase access for qualified students, with a particular emphasis on underrepresented minorities and women in science, engineering, and math.
- Close the achievement gap between majority and underrepresented students, and support all students through graduation.
- Recruit and retain a more diverse faculty and staff.
- Prepare all students, staff, and faculty to thrive personally and professionally in a world that is diverse, global, and interconnected.

Although changing the demographics of UW-Madison is critical, the guiding principles of the diversity strategy seek to infuse conversations about diversity, equity, and inclusion into all aspects of academic activity, recognizing that diversity is a signal feature of excellence. The Office of the Vice Provost for Diversity and Climate (OVPDC) will be evaluating the extent to which diversity and inclusive excellence are represented in the curriculum by: auditing the curricular array for courses that provide students with an exploration of diversity issues; using this inventory as a basis for understanding and expanding students' opportunities; and assuring that these opportunities are both broad and deep. OVPDC will be hosting a day-long retreat in Spring 2010 for all faculty and staff who work with retention programs to discuss best practices and to help align the University's many efforts in this area. Instructional practice in gateway courses is another focus area. OVPDC is also conducting a review of peer institutions to identify high-impact strategies that have been particularly successful at other institutions.

Using the Wisconsin Experience to Change Instruction in Introductory/Gateway Courses: Weaving Together High-Impact Practices, Technology, and Diversity

One initiative underway to change how gateway/introductory courses are taught can serve as an example of how the Wisconsin Experience framework is being used to shape undergraduate education. Ample research (see Cabrera & La Nasa, 2005; Kuh, 2008; Seymour & Hewitt, 2000; Treisman & Surles, 2001) documents the impact on student learning and success when course reform is done *comprehensively*, and when it consists of five teaching best practices: learning in context (i.e., introducing course content connected to real-world problems), frequent feedback, increased time-on-task, and group-based learning, all framed

within positive classroom climates. These best practices not only increase learning outcomes for all students, but also show compensatory effects for women, students of color, and socioeconomically at-risk students.

Based on experimentation with these five teaching best practices, a model is emerging for how to better teach introductory/gateway courses. This model relies heavily on high-engagement teaching practices and interactive technologies (web 2.0). The following courses are experimenting with comprehensive course reform: General Chemistry (Chem 103 and Chem 109); Introductory Biology (Bio 151/2); Introduction to Psychology (Psyc 202); College Algebra (Math 112, the course most commonly taken before calculus); Introduction to Calculus (Math 221); and Introduction to Weather & Climate (AOS 100; a commonly taken science course for non-science majors).

The emerging hybrid teaching model includes the following elements:

- making lectures more interactive and conceptually-oriented by introducing course material using real-world examples and by using clicker-based concept tests to more frequently test student engagement and learning;
- increasing the frequency of high- and low-stakes quizzes and exams;
- emphasizing group-based, collaborative learning strategies in discussion sections and through the assignment of more challenging problem sets that encourage collaboration; and
- using social networking technologies (wikis, Facebook and YouTube-like programs, etc.) that help students connect with each other, with the TAs and course instructors, and with the course material.

Madison Initiative for Undergraduates

As approved by the Board of Regents in Spring 2009, implementation of the Madison Initiative for Undergraduates (MIU) is underway. Approximately half of the MIU funds are set aside as a significant source of need-based financial aid. The remainder, which is aimed at funding improved access to high-demand courses and majors, classroom and curricular innovations, and enhanced student support services, is being distributed through a competitive grants process. In the first round, eight of 29 proposals were funded. Examples of funded projects include an electronic "advisor notes" system designed to capture notes of student meetings with advisers, an international internship program, a substantial expansion of first-year interest groups (FIGs), and a number of faculty lines in the School of Business and the College of Letters & Science. In the first round, the proposals addressed issues of access by opening bottlenecks in high-demand areas, and some did so using many high-impact and transformative educational practices. Proposals for the second round of funding were due in mid-November, 2009, and are expected to present additional innovative ideas for transforming the in- and out-of-class undergraduate experience. Several proposals are forecast to include requests for support for new academic programs and to be interdisciplinary or cross-college in nature. The review process is revealing that the opportunity to compete for MIU funds is fomenting innovation that is likely to have a positive impact on the educational experience that may far surpass the dollar value of the MIU.

Academic Planning, New Program Development, and Program Review

UW–Madison has 13 schools and colleges and some 120 academic departments that oversee approximately 440 academic degree/major programs at the bachelor's, graduate, and professional levels, which represents one of the broadest program arrays of any university in the United States. UW-Madison has a well developed policy and governance environment for supporting changes in the program array; new program planning, renaming and restructuring, and discontinuations are all types of proposals that require approval by the program faculty, the school or college academic planning council, and by campus-level governance groups. When program changes have impacts on many departments or colleges, evidence of broad consultation is a requirement. When all institutional approvals are completed the Provost forwards the proposal to UW System Administration offices for information or, in some cases, for additional approval. UW-Madison faculty members advance about 40 program change actions annually. Since 1993, when the current academic planning structure was implemented, UW-Madison has added 23 new academic programs, consolidated 25 programs into 9 programs, and discontinued 51 academic programs, for a net decrease of 43 program offerings.

Consistent with Regent policy requiring periodic review of all academic programs, UW-Madison's program review policies require that all academic programs are reviewed at least once every ten years. Responsibility for program review resides with the deans of the schools and colleges. The Office of the Provost provides a coordinating function and monitors activity annually when preparing for the annual report on program review to UW System Administration. UW-Madison's program review policy has included provisions for special attention to low-enrollment programs.

UW-Madison does not plan program changes from the Office of the Provost or the Office of the Chancellor. Rather, program faculty devise proposals that are mission-congruent and aligned with the strategic priorities of the University. Substantial discussion, planning, and broad consultation among faculty take place before any proposal advances for formal approval. Some new program proposals emerge when a group of faculty members identifies an emerging area of scholarship that is sufficiently mature and has a critical mass of faculty to allow a coherent major program to be offered to students. Recent examples are the M.S. in Agroecology and the M.S./Ph.D. in Clinical Investigation. Typically, such programs are among the first of their kind. They often anticipate a need to prepare students for societal needs that are just becoming evident. Other new program proposals arise from the need to transition a program from one level to another. Recent examples include the Doctor of Nursing Practice, the Doctor of Physical Therapy, and the Master of Physician Assistant. A third circumstance for new program development is to fill gaps in the program array. For example the recently entitled B.S.-Environmental Science and the nascent B.S.-Environmental Studies proposal represent programs that many students and their families would expect to find among the program offerings at UW-Madison. However, those educational experiences have been only offered at the graduate level; planning for these bachelor's level programs is in progress.

One national trend evident at UW-Madison is an increase in professional programs. Historically, most post-baccalaureate program offerings were considered graduate programs under the academic oversight of the Graduate School, or they were one of the traditional "first

professional" programs, e.g., Law, Medicine, Pharmacy, Veterinary Medicine. That historical pattern is shifting and programs are increasingly professionalizing such that the academic administration is entirely within the home school or college. Examples include the Master of Public Health, the Master of Physician Assistant, and the Doctor of Physical Therapy, all within the School of Medicine and Public Health, and the Master of Laws, within the Law School. As a consequence, professional enrollments and degrees are increasing.

In addition to the proposed undergraduate programs in Environmental Science and Environment Studies, there are a number of other new programs and program restructuring proposals under discussion among UW-Madison faculty. Those proposals often change substantially during the planning period, and it would be premature to discuss them before proposals are formally advanced to the campus level. This strategy of looking to faculty to advance proposals for which they have energy, passion, and resources has served UW-Madison well. The planning process assures that planning has a wide base of consultation, that new programs are congruent with the University's mission and strategic priorities, that programs meet institutional and societal needs, and that the array of program offerings evolves along with the scholarship of the faculty.

More Information

More information on the projects and initiatives described above are available at the UW-Madison web site.

1. Strategic Planning: http://www.chancellor.wisc.edu/strategicplan/
2. Reaccreditation Project: http://www.greatu.wisc.edu
3. Wisconsin Experience and Essential Learning Outcomes: http://www.learning.wisc.edu
4. General Education: http://www.ls.wisc.edu/gened/
5. Inclusive Excellence: http://www.diversity.wisc.edu/
6. Madison Initiative for Undergraduates: http://madisoninitiative.wisc.edu/
7. Academic Planning and Program Review: http://www.apa.wisc.edu/acad_plng.html

RELATED REGENT POLICY

University of Wisconsin System Academic Planning and Program Review (November 2007) *Academic Informational Series #1* (ACIS-1, Revised June 2009).

Revised December 2, 2009

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.2. Business, Finance, and Audit Committee

Thursday, December 10, 2009
Class of '24 Reception Room,
4th Floor East Wing
UW-Madison Memorial Union
Madison, Wisconsin

10:00 a.m. All Regents – Main Lounge, 2nd Floor Central

- Presentation by UW-Madison Chancellor Carolyn "Biddy" Martin: A World-Class Research University – For Wisconsin and the World

11:00 a.m. All Regents – Main Lounge, 2nd Floor Central

- Discussion: Quality, Affordability, and Differential Tuition

12:00 Lunch – Great Hall, 4th Floor Central

1:00 p.m. Joint Meeting of the Capital Planning and Budget Committee and the Business, Finance & Audit Committee – Class of '24 Reception Room, 4th Floor East Wing

- UW Colleges Report on City and County Financial Support

- Presentation: Energy Conservation and Renewable Energy Projects

a. Operations Review and Audit: Program Review on UW Energy Conservation Efforts, Practices, and Strategy

2:00 p.m. Business, Finance, and Audit Committee – Class of '24 Reception Room, 4th Floor East Wing

b. UW-Madison Presentation: The Madison Initiative for Undergraduates: A Progress Report from Members of the Student Oversight Committee.

c. Report of the Ad-Hoc Committee on Mental Health
[Resolution I.2.c.]

d. Operations Review and Audit
   1. Program Review on Camps and Clinics
   2. Quarterly Status Update

e. Trust Funds: Affirmation of Investment Policy Statement
[Resolution I.2.e.]

f. Status Update on Human Resource System (HRS)

g. Approval of Food Service Contract Language Regarding Contractor/Employee Transitions
[Resolution I.2.g.]

h. Approval of Policy on Non-Medical Leaves of Absence for Unclassified Staff
[Resolution I.2.h.]

i. Committee Business
1. Review of Source of Funds by UW System Institution - ***Deferred***
2. Quarterly Gifts, Grants, and Contracts (1st Quarter)

j. Report of the Senior Vice President

k. Consent Agenda
1. Approval of the Minutes of the October 15, 2009 Meeting of the Business, Finance, and Audit Committee

l. Other items which may be presented to the Committee with its approval

Office of Operations Review and Audit

Program Review

UW Energy Conservation Efforts, Practices, and Strategy

November 2009

Table of Contents

EXECUTIVE SUMMARY

The UW System Office of Operations Review and Audit examined ways in which UW institutions are reducing energy usage and the extent to which energy conservation efforts have been incorporated into UW institutions' broader decision-making and plans. Review activities included interviews with UW institution facilities managers, review of current UW energy conservation and planning efforts, and research on energy conservation activities at other higher education institutions.

Energy Conservation Practices

While UW institutions share some common energy-usage issues, such as aging buildings, each UW institution is unique in its energy conservation practices, which reflect the academic uses of its buildings, campus setting, and other factors. UW institutions have already adopted numerous facilities-related energy conservation measures, including maintenance, repair, and replacement activities; careful scheduling of building usage; energy meters and controls; and, in some instances, reliance on alternative energy sources.

In addition, educational efforts have been adopted to promote behavioral changes. Student-sponsored outreach efforts include the creation of energy-conservation clubs or the designation of segregated fees for new, energy-efficient buildings. Institution-sponsored efforts, such as the assignment of sustainability coordinator positions, have also been effective for raising awareness of opportunities to conserve energy.

The report recommends that each UW institution continue to pursue funding opportunities for energy conservation projects. Collaborative initiatives and partnerships with utility companies on specific projects promote the exchange of information on new practices and also provide opportunities to leverage resources to facilitate energy conservation.

Energy Conservation Strategy

In addition to identifying specific energy conservation practices, this report reviews broader efforts to incorporate energy conservation practices into individual institution or systemwide collaborative efforts, policies, planning, and goal-setting. Our research suggests that major systemic changes at an institution depend on a campus culture that promotes a coordinated energy conservation strategy and involves all stakeholders.

Several UW institutions have already undertaken planning processes designed to integrate energy conservation principles and practices into the institutions' management and culture. Strategic planning to promote energy conservation can complement other campus planning efforts, such as the development of master plans. The report identifies potential planning resources and recommends that each UW institution incorporate facilities-related practices, as well as educational practices designed to promote behavioral change, into an institution-wide energy conservation strategy that describes action steps and priorities.

SCOPE

The UW System Office of Operations Review and Audit examined ways in which UW institutions are reducing energy usage. Energy-saving approaches yield both environmental benefits and cost savings. We conducted research to identify current energy conservation approaches within the UW System, as well as approaches from other universities. We also examined the extent to which these efforts are part of a broader policy or strategic framework within the UW System.

The purpose of this report is to provide information about current energy conservation activities, ideas for future opportunities, and an analysis of the extent to which appropriate policies and plans could lead to greater energy conservation. This is not intended to be a review of "campus sustainability," which could include recycling, transportation, water consumption, storm water quality, and food system management.

The review involved: (1) interviewing facilities managers and associated staff at 14 UW institutions, including UW Colleges; (2) collecting and reviewing relevant policies and procedures from UW institutions; (3) researching the policies, plans, and practices of other higher education institutions; and (4) reviewing the results of UW institution responses to a fall 2007 energy conservation survey conducted by the state Department of Administration (DOA).

BACKGROUND

Data from DOA indicate that, on average, energy efficiency[1] has improved for the UW System since 1973. Energy usage for the UW System decreased by 10.6% between fiscal years (FY) 1973 and 2008. From 2005 to 2008 alone, overall energy use decreased by 5.3% (see Appendix A). Despite this improvement, global energy instability, budget issues, and concerns about pollution point to the need to continue to improve upon past energy conservation efforts. Both national initiatives on campuses and changes in state law and policy highlight the importance of achieving positive outcomes in energy conservation.

National Initiatives

Increased advocacy for energy conservation is occurring at campuses nationwide and among various non-profit groups. Several national organizations have focused on energy conservation and sustainability in higher education, notably: the Association for the Advancement of Sustainability in Higher Education (AASHE); the Upper Midwest Association for Campus Sustainability[2]; and the American College and University Presidents' Climate Commitment[3], for which eight UW institutions[4] are signatories. The Climate Commitment asks institutions to pledge to certain energy conservation steps, such as developing strategies to reduce energy

[1] Energy efficiency expressed as the amount of British Thermal Units (BTU) expended per Gross Square Feet (GSF) over 1 year.
[2] See http://www.umacs.org
[3] See http://www.presidentsclimatecommitment.org
[4] UW-Eau Claire, Green Bay, Oshkosh, River Falls, Stevens Point, Stout, Superior, and Whitewater.

consumption and greenhouse emissions. In addition, four UW institutions[5] have signed the Talloires Declaration, sponsored by presidents of higher education institutions. The declaration asserts that institutions of higher learning will strive to be world leaders in developing, supporting, and maintaining sustainability, including energy conservation.

More recently, in March 2009, the American Recovery and Reinvestment Act (ARRA) made available $3.2 billion nationwide for energy efficiency and conservation projects. As of July 2009, Wisconsin's share of this funding is approximately $234 million. With respect to the UW System, funding may be used to support such activities as energy audits, energy efficiency retrofits, and energy efficient heating and cooling systems. However, the total amount of funding for which the UW System might be eligible to apply is not yet known.

State Law and Policy Initiatives

Recent state law and policy initiatives have also emphasized energy conservation. In 2005 Wisconsin Act 141, the state legislature required DOA to set goals for the use of renewable energy by the six state agencies, including the UW System, that consume the majority of electricity purchased by the state. Also, the Governor's 2006 "Declaration of Energy Independence" directed DOA to take various steps, in consultation with state agencies and the UW System. Among these steps were establishing programs for energy analysis of state-owned buildings, ensuring better oversight and management of energy purchasing, and adopting sustainable building operating guidelines based on the Leadership in Energy and Environmental Design (LEED) Green Building Rating System for Existing Buildings.

In addition, Executive Order 145 directed DOA to set energy efficiency goals for state facilities, office buildings or complexes, and campuses for FY 2007, 2008, and 2009. If the goals are met, energy usage per square foot will have been reduced by at least 10% from the FY 2005 baseline by FY 2008 and by 20% percent by FY 2010. DOA is currently working with a consultant to gather and analyze data to determine if the FY 2008 goal was met.

In addition to Executive Order 145, Governor Doyle created an initiative requiring four UW System institutions, UW-Green Bay, Oshkosh, River Falls, and Stevens Point, to replace their fuel and electrical energy sources by 2012 with renewable resources that do not rely on fossil fuels, such as biomass (burning wood, for example), hydropower, geothermal power, solar power, and wind energy. In October 2009, the initiative was revised to require that each of the four campuses reduce its carbon dioxide emissions to the emission levels produced by its 2005 electrical consumption. No funding was directly allocated to the UW System to implement this initiative. However, each of the four institutions has worked with consultants that were funded by DOA to develop recommendations and detailed strategies to meet the Governor's goals. All four studies were finalized in September 2008. They investigate engineering and economic payback options and address such areas as central heating capacity, renewable fuel use in modified existing boilers, purchases of energy from renewable sources, Department of Natural Resources permitting requirements, and operations and maintenance.

[5] UW-LaCrosse, Madison, Parkside, and Stevens Point.

DISCUSSION AND RECOMMENDATIONS

Funding, technical expertise, faculty and student involvement, and administrative policies can all influence energy conservation efforts. To determine how these and other factors affect the UW's decisions about energy conservation practices, we reviewed: (1) energy conservation practices at UW institutions and other higher education institutions; and (2) energy conservation strategy.

ENERGY CONSERVATION PRACTICES

Each UW institution is unique in its energy conservation practices, reflecting the age and academic uses of its buildings; campus setting; and the degree of interest among faculty, staff, and students. We conducted interviews, reviewed UW institutions' responses to a 2007 DOA survey, and conducted research on other higher educational institutions' practices to identify: (1) facilities-related energy-saving approaches; (2) potential assistance available for identifying and implementing facilities improvements; (3) behavioral and educational approaches to energy conservation; and (4) collaborative efforts to share technical expertise.

Facilities-Related Energy-Saving Approaches

UW facilities managers highlighted some of the energy conservation challenges confronting their campuses. Some challenges are common, such as coping with older buildings, while others are unique to individual campuses. More unique challenges include, for example, the geography of the upper and lower campuses at UW-Eau Claire, which can lead to steam losses; air balance issues in interconnected buildings, which affect temperature control at UW-Green Bay; problems at UW-Milwaukee with relatively less efficient steam-powered chiller systems, zebra mussels in pipes leading to Lake Michigan, and deteriorating tunnels; and the UW Colleges' dependence on local utilities to supply all of their energy needs.

UW institutions have adopted various practices to help meet these challenges and to generate savings. All practices, from improved lighting to scheduling class times around peak energy use periods, work together to achieve energy conservation. The practices do not necessarily need to be "high tech" to save energy.

We asked UW facilities managers to provide examples of engineering or maintenance practices that they believe are particularly useful for energy conservation, and we also researched efforts at other universities. Identified facilities-related practices were in the areas of: maintenance, repair, and replacement; building-usage scheduling; energy meters and controls; building enhancements and design; and alternative energy sources:

Maintenance, Repair, and Replacement

According to UW facilities managers, simple maintenance and repair activities, such as inspecting steam traps for needed repairs to reduce steam loss, can contribute to significant savings. Maintenance activities at UW facilities include such examples as: (1) ongoing preventive maintenance for all motors, lighting, pumps, roofs, and heating plant equipment, as well as heating, ventilation, and air conditioning (HVAC) systems, at UW-Green Bay; (2) a

systematic repair and replacement program for steam traps, beginning in 2006, at UW-Madison; (3) the replacement in 2007 of four inefficient, stand-alone building chiller systems with one modern, energy-efficient chiller located at the heating plant at UW-Oshkosh; (4) the replacement of 500 microfridges in university housing at UW-Stout and (5) the repair of a steam line leak and replacement of an inefficient steam line section at UW-Whitewater in FY 2007.

Other replacement efforts have involved lighting and computers. For example, UW-Oshkosh installed Light Emitting Diode (LED) exit lights throughout the campus in 2006; and UW-Parkside began replacing old computer monitors with Liquid Crystal Display (LCD) monitors in all buildings in 2007. Replacement of high intensity lighting systems in gymnasiums with high performance fluorescent lighting systems has occurred or will occur on nine campuses between 2005 and 2009. UW-Eau Claire is undergoing a systematic reduction of lighting to levels recommended by the Illuminating Engineering Society (IES).

Building-Usage Scheduling

UW facilities managers noted various issues related to building scheduling that can affect energy conservation efforts. For example, some research facilities are used around the clock, with no downtime periods. At UW-Milwaukee, greater utilization of buildings for research is considered one reason why the institution has experienced an increase in energy use, calculated on a per square foot basis, between FY 2005 and FY 2008 (see Appendix A).

Another common issue is that buildings are used at varying times, such as when faculty are in their offices when classes are not in session, or when fewer classes or classes with fewer students are spread throughout campus in the evening or during the summer. In older buildings, which lack zone heating, this can lead to heating or cooling a whole building when only a few offices or classrooms are in use.

Facilities managers at some UW institutions described scheduling methods that can reduce energy consumption: (1) using energy alerts, reducing lighting, and adjusting air handlers to reduce usage on peak-demand days at UW-La Crosse and UW-Stout, which UW-Stout estimates saves approximately $36,000 per year; (2) reducing energy used during identified down periods, such as during spring break, and scheduling classes for summer and interim periods to ensure the fewest classrooms are being used at UW-Oshkosh; and (3) allocating part of one staff person's duties to the scheduling, management, and metering of HVAC systems at UW-Whitewater.

Some other universities have coordinated among departments, including the registrar's office, academic planning, and campus administration, to develop guidelines and policies that take into account how each building is used. For example, at the University of Illinois at Urbana Champaign, energy consumption is managed in coordination with the registrar's office and other departments that sponsor events. Temperature guidelines for both heating and cooling seasons are developed for each building. Exceptions to the guidelines, such as for research facilities with particular temperature requirements, require approval by the college dean and provost.[6]

[6] Inside Illinois. "Energy Efficiency: campus seeks to reduce energy use" at: http://www.news.uiuc.edu/ii/07/0705/energy.html

Energy Meters and Controls

Facilities managers indicated that many UW buildings are old and not built to existing energy efficiency standards. The lack of meters to measure energy usage is one challenge, as meters can help identify energy conservation opportunities. Also, older buildings frequently have HVAC systems with pneumatic controls that are difficult to manage at a central location, because digital control systems do not interface well with older technology. Maintenance staff must go to each building to make adjustments, and frequent maintenance is required.

Some UW campuses have adopted meter and control improvements. Facilities managers reported, for example: (1) the installation of instantaneous-web-readable electrical and steam condensate meters at UW-Eau Claire in FY 2007; (2) the conversion of an older, campus automation system to a newer system that provides greater control of HVAC at UW-Parkside; (3) increased use of Direct Digital Control (DDC) in buildings at UW-Superior, which allows for control of HVAC from a remote location; and (4) the use of building automation systems, electronic ballasts, zone dampers, and electric meters at UW-Stevens Point that monitor and control the flow of energy and heat into and out of buildings.

Facilities managers at UW campuses expressed interest in innovative approaches to consider as existing buildings are retrofitted for greater energy savings and as new buildings are added. One such approach involves sensors and data management at the Malone Engineering Center at Yale University. Built in 2005, the 64,700-square-foot laboratory building has achieved a LEED Gold rating and uses 10% less energy than permitted by the state's energy code. The building's ventilation system recovers heat from the exhaust air and returns that heat to the building. Occupancy sensors switch off lights and reduce ventilation rates when labs or offices are unoccupied, resulting in lower energy costs and greenhouse gas emissions. When natural light through the windows is satisfactory, the artificial lighting dims, maintaining a constant light level for hallways and offices. An extensive monitoring system is also used to collect data and to monitor the operation of the building.[7]

Building Enhancements and Design

New buildings, as well as old, can create challenges. Facilities managers reported that, because of a lack of staff resources and operating funds, new buildings are not always properly tested, or "commissioned," before they are occupied. As a result, these buildings may not achieve the level of efficiency for which the buildings were designed.

Nevertheless, significant efforts in the area of building design have occurred. The College of Business and Economics building at UW-Whitewater, for example, opened in summer 2009, is designed to be 30% more energy efficient than expected under Universal Commercial Code standards.

Also, the LEED Green Building Rating System, developed by the U.S. Green Building Council, promotes standards for environmentally sustainable construction. Within the next five years, 15 new construction projects at UW institutions may be proposed for LEED certification if they

[7] Yale Office of Sustainability. Description of "Malone Center" at http://www.yale.edu/sustainability/bldgs.htm.

meet approved specifications, and six will be built using high-performance energy conservation principles based on DOA Division of State Facilities standards. Appendix B lists these projects. The first LEED-certified building in the UW System is the Communication Arts Center at UW-Fox Valley.

Although the LEED system can represent an effective benchmark, it also may lead to increased, rather than decreased, energy usage. For example, newly-constructed or renovated buildings achieving basic or silver LEED ratings typically are built with more air conditioning and electrical outlets than previous buildings, for comfort and to meet code requirements. New buildings also may have more square footage. According to a recent article in the Chronicle of Higher Education, architects are now striving for "net zero" buildings in which the amount of energy provided by on-site renewable energy sources is equal to the amount of energy consumed by the building.[8]

Alternative Energy Sources

Our research reveals widespread interest at higher education institutions in using sources of biomass energy, such as wood briquettes, switchgrass, or other biofuels, as well as other alternative sources of energy, such as solar power. UW facilities managers reported various examples of alternative energy sources, including: (1) UW River Falls' purchase of electrical energy from non-carbon-generating plants; (2) a test of wood briquettes as an energy source instead of coal at UW-River Falls; and (3) the installation of solar panels for water pre-heating in two residence halls at UW- Stevens Point. Other solar panel projects are planned at other campuses. In addition, UW-Madison's Charter Street plant will undergo a rebuilding project to eliminate the burning of coal by 2012, in response to an August 1, 2008 Governor's directive that state-owned heating plants in the Madison isthmus area not use coal as a fuel source.

The University of Iowa has an oat-hull-burning program that began in 2002 and has reportedly saved the university more than $1.7 million in coal costs; byproducts from Quaker Oats' cereal production are burned in the Main Power Plant, which serves both the university and the University of Iowa Hospitals and Clinics. The University of Minnesota-Morris has partnered with the Minnesota Department of Natural Resources to purchase DNR-harvested prairie grass and is testing the material as a source of power generation; corn stover and prairie grass are expected to meet 80% of campus energy needs.

In Wisconsin, excess crop residues and switchgrass on conservation reserve program lands could reduce the amount of coal burned each year by all coal plants by 5.4 million tons.[9] However, the current cost associated with burning coal is roughly 40% cheaper compared to the cost of burning excess crop residues and switchgrass.[10]

[8] Chronicle of Higher Education. "Campus Planners Discuss Challenges in Attaining Sustainability." July, 24, 2007.
[9] Data from 2006 DNR Air Emissions Inventory.
[10] Milbrandt, A., "A Geographic Perspective on the Current Biomass Resource Availability in the United States," USDOE NREL, 2005, page 50, www.nreal.gov/docs/fy06osti/39181.pdf.

Resources for Identifying and Implementing Facility-Related Improvements

Despite the array of current efforts, facilities managers at most UW institutions noted a lack of financial resources to invest in energy conservation. They noted that the most feasible or least costly projects tend to be completed first, leaving more challenging or more expensive projects undone.

Facilities managers indicated that engineering studies and energy audits can be useful tools for developing energy conservation practices tailored to the buildings on campus. Buildings housing art studios and laboratories, for instance, are significant energy consumers on campuses due to such equipment as welding equipment or fume hoods. Athletic facilities are another example of large energy users. Studies or audits can document a building's function, performance, maintenance needs, and energy usage. They can identify energy conservation opportunities, analyze and rank those opportunities, and lead to an action plan.

In 1992, for example, every building within the UW System was audited by Johnson Controls as part of the Wisconsin Energy Initiative (WEI), focusing primarily on lighting conversions. More recently, the Wisconsin Public Interest Research Group (WISPIRG) conducted an energy audit at UW-Milwaukee in 2005. According to the UWM Post, the audit found that there may be techniques to lessen the energy output of lights in common areas in Sandburg residence hall during low-traffic hours, while still taking safety into account. Johnson Controls assisted UW-Oshkosh in evaluating renewable energy options in 2008.

Some UW institutions have used DOA-approved performance contracts, which allow institutions to pay for projects with accrued savings. For example, UW-Platteville is currently working with an energy consultant to conduct energy audits on campus under a DOA performance contract. UW-Milwaukee has worked with an energy performance contractor on various energy-saving projects, for which the institution is seeking approval at the December 2009 Board of Regents meeting.

Energy-audit examples can also be found at other universities. In July 2008, the University of Louisville in Kentucky announced its participation in an extensive energy audit. The university contracted with an energy and environmental firm, to be paid with savings resulting from the audit. The contract calls for the firm to pay the difference, if savings do not cover the cost of energy-saving improvements. In a news release, the university's president noted that the project would "reduce the university's carbon footprint, allowing the university to spend less money on energy and to spend more on its academic mission."[11] The University of Colorado at Boulder posts energy-audit self-checklists on its website, which includes detailed questions about the functioning of a building and an offer of assistance from a university energy conservation officer.[12]

Since several facilities managers reported a lack of funding for detailed studies on more complex buildings, such as athletic facilities, we sought to identify potential resources. Energy audits are

[11] University of Louisville website, http://php.louisville.edu/news/news.php?news=1190.
[12] http://www.colorado.edu/facilitiesmanagement/about/conservation/reports.html

sometimes conducted by utility companies for their large commercial or industrial customers, and Wisconsin's Focus on Energy provides funding for energy audits on a limited basis.

A $30 million statewide appropriation was available as a pilot to state agencies during the 2007-09 biennium to help agencies make energy conservation improvements. As of August 10, 2009, two UW institutions had applied for assistance, with requests of approximately $19.7 million for UW-Madison and approximately $2.4 million for UW-Oshkosh. The proposed UW projects were approved. The pilot program was continued in the 2009-2011 biennium, with $50 million appropriated for this purpose. ***We recommend that UW institutions continue to identify qualifying projects based on their needs, and apply for funding under this appropriation, as well as under the American Recovery and Reinvestment Act.*** These funding sources may be of particular interest to the four campuses that, under the Governor's initiative, are expected to reduce their carbon dioxide emissions to 2005 electrical consumption levels by 2012.

Energy conservation is a rapidly changing area, and it may be useful for facilities managers to share concerns, solutions, and information about resources for energy audits or other energy-saving activities. UW facilities managers from the four-year UW institutions already meet on a quarterly basis to discuss a broad range of issues related to the construction and management of facilities. The UW System Office of Capital Planning and Budget provides support and assistance. Facilities managers indicated they find these meetings helpful. Several suggested even more time could be allocated to discussing energy conservation issues. Also, UW Colleges managers expressed interest in participating.

Educational Approaches

In addition to facilities-related improvements, facilities managers stressed that achieving behavioral change is a significant challenge in achieving energy conservation on campus. They noted the importance of informal steps, such as encouraging students, faculty, and staff to wear warmer clothes in the winter, turn off lights when leaving a room, or avoid adjusting thermostats, even though students seldom see long-term paybacks in savings during their time on campus. Efforts to share information about energy conservation are generally intended to promote behavioral change. We identified both student and institutional initiatives at UW institutions, as well as examples of education and outreach programs at other public institutions, which might serve as models for UW institutions to consider. Among the various efforts to promote energy-conserving behavior are the following:

- *Organized student involvement*: The creation of committees and study groups typically occurs when an institution becomes motivated to raise community awareness of energy conservation issues. Examples of organized student involvement in campus energy conservation issues at UW institutions include: (1) an Energy Conservation and Outreach Club at UW-River Falls, which along with several other student groups, encouraged students through emails and flyers to be energy efficient, resulting in a 7% reduction in water, heat, and electrical consumption in campus housing in spring 2006; (2) a UW-Madison student chapter of We Conserve, with its own board and formal organizational structure, which has, among other things, sponsored a Midwest Clean Energy Conference, collaborated with academic units on student projects and created a campus website; (3) the use of $33 million in student segregated fees for the construction of a "green" university center at UW-River

Falls, and a $5 student segregated fee for renewable energy and energy efficiency projects in buildings at UW-La Crosse; (4) a University Housing annual energy reduction contest at UW-Stout which resulted in 6% reduction in electricity consumption during March of 2009; and (5) the creation of a student design team to evaluate possible lighting conservation options within UW-Platteville's Ralph E. Davis Pioneer Stadium.

- *Sustainability coordinators*: Sustainability coordinators are involved in education and outreach through various means, including the development of websites, brochures, and news articles and participation on committees. Sustainability positions typically originate from an institutional decision to commit to a more environmentally-responsible or sustainable campus. They might be created from an existing position associated with facilities management or from an academic program, such as an environmental studies or biology department. Communication among the UW sustainability coordinators occurs through emails and meetings.

  As of November 2009, approximately half of the UW institutions had individuals designated as sustainability coordinators, several of them designated as recently as fall 2009. Sustainability coordinators are assigned at UW-Eau Claire (a half-time fellowship), La Crosse, Milwaukee, Oshkosh, River Falls, Stout, and Whitewater (a grant-funded position). A sustainability coordinator position at Superior was recently vacated. UW-Stevens Point has assigned sustainability-coordinator duties to six people, including two students.

  Having a sustainability coordinator to concentrate on education, collaboration, and research is beneficial, according to facilities managers who have multiple responsibilities and are unable to be as proactive in energy conservation as they would like. According to a study of environmental/sustainability coordinators on college campuses conducted by the National Wildlife Federation[13], coordinators yield benefits such as financial savings from diverting materials from the landfill or saving energy. Other harder-to-measure benefits may derive from participating in environmental studies projects in a course curriculum or influencing students to adopt energy-conserving practices.

  Sustainability coordinators have diverse responsibilities. For example, at UW-Stout the sustainability coordinator conducted outreach activities and chaired the sustainability committee charged with developing an environmental sustainability action plan for the campus. UW-Superior's part-time sustainability coordinator was conducting an inventory of the university's greenhouse gas emissions, organizing events to educate students and employees about environmental issues, and leading a group of UW-Superior students and staff in developing ways for the university to further reduce its energy use.

- *Conferences and other outreach activities*: UW-River Falls hosted "Green Communities – Energy Solutions for Western Wisconsin" in May 2008 in an effort to provide outreach education to the community and region. The conference was held at the new, green-constructed University Center on campus. The event targeted members of business, industry, government, schools, and healthcare systems who are involved with planning or operating

[13] Creating and Environmental Coordinator Position Part I: A Portfolio of Case Studies. National Wildlife Federation Campus Ecology Program (October, 2000).

larger-scale facilities. Topics included green building and incorporating green operational techniques, as well as alternative energy and energy conservation strategies.

The Energy Conservation and Outreach (ECO) Program at the University of Michigan-Ann Arbor is a five-year effort that began in fiscal year 2004. The ECO Program focuses on savings in buildings, but it also includes an outreach effort aimed at creating a culture of energy conservation among the University community. This effort has involved such events as the University of Michigan Energy Fest, showcasing the university's efforts and commitment to energy conservation and alternative energy technologies, and the annual Ann Arbor Green Fair, Earth Day celebration.

In January 2007, the Oklahoma State University System Board of Regents approved hiring Energy Education Inc. to implement a multi-year conservation education program to promote responsible energy management among students, administrators, faculty, and staff. According to one analysis, the initiative is expected to save Oklahoma State University and the OSU System more than $30 million over seven years.

- *Electronic communication*: Websites are sometimes used to promote energy-conserving behavior. For example, a UW-Stevens Point website integrates academics with facilities management, involves both students and faculty, and documents energy conservation activities and progress.

  Northern Iowa University's "Educating Students for Changes in Energy Use" program is sponsored by the Center for Energy and Environmental Education and funded by the Iowa Energy Center. The program includes a website to promote energy efficiency, and sponsors events such as energy festivals and energy reduction contests at each residence hall.

Each of these programs, and others like them, are designed to raise energy awareness, with the goal of promoting energy-conserving behavior on the part of students, faculty, staff, and the community.

Collaborative Efforts to Share Technical Expertise

In addition to reviewing activities at UW institutions, we reviewed opportunities for collaboration with other organizations outside of UW institutions, including local utility companies and energy research organizations. Collaboration is important because it allows for the exchange of information on new research and provides opportunities to leverage resources to facilitate energy conservation. The examples of collaborative efforts at UW institutions range from campus lighting projects to national and international collaboration:

- *Utility-company collaboration*: All UW institutions reported collaboration with either local utility companies or Focus on Energy for new construction, renovation of existing facilities, and projects involving energy rebates. For example, Focus on Energy provided UW-Milwaukee with $45,000 in rebates for lamp ballasts as part of a lighting replacement project.

- *Western Intergovernmental Cooperative*: In 2004, UW-River Falls facilitated the incorporation of the Western Wisconsin Intergovernmental Cooperative, which is open to 99

local units of government and meets quarterly to discuss topics and issues of broad, regional concern, including energy conservation.

- *UW-Madison Energy Institute*: The UW-Madison Energy Institute, founded in 2006, is intended to provide an objective forum for the exchange of ideas on energy issues. According to its website, the Energy Institute focuses on: (1) organizing educational opportunities in energy fields at UW-Madison; (2) developing cross-disciplinary research among UW-Madison research centers; (3) developing innovative energy outreach and service programs; (4) seeking national and international collaborations and cooperation; and (5) addressing key energy issues in the state, the nation and beyond.

Collaborative efforts and partnerships at other public universities range from internal campus committees to partnerships with government agencies, research organizations, and public utilities. One example of a partnership is the Cal Climate Action Partnership (CalCAP), a collaborative effort among faculty, administration, staff, and students to "reduce greenhouse gas emissions at UC Berkeley, demonstrate institutional commitment, engage academic departments, leverage academic research, foster local community development and inspire individual action."[14] CalCAP completed its first greenhouse gas emissions reduction feasibility study in March 2007. In fall 2006, the University of Idaho hosted a sustainability summit to explore public-private partnerships to address problems stemming from greenhouse gas emissions. Energy savings resulting from bonding and rebate programs following the summit were estimated to reduce the university's carbon footprint by 12,200 tons annually, beginning in 2007.

ENERGY CONSERVATION STRATEGY

In addition to examining specific energy conservation activities, we analyzed how current policies and planning support energy conservation strategy at both the individual campus and system level. Specifically, we reviewed three components of energy conservation strategy: (1) policies; (2) goals and action plans; and (3) resources for planning and follow-up activities.

Energy Conservation Policies

We reviewed efforts at the state, UW System, and institution level to develop policies that encourage energy conservation and the promotion of renewable resources. Clean-Air-Cool-Planet, a non-profit organization dedicated to reducing the effects of climate change, underlines the significance that policies can have in either accelerating or reducing fossil fuel demand: "Business-as-usual policies serve to continue an institution's trends toward growth, resulting in increased fossil fuel demand and use."[15] The organization is one of many that advocates for policies to support the use of less fossil fuel, the use of more renewable energy resources, and energy conservation.

[14] UC Berkeley Environment and Sustainability Portal found at: http://enviro.berkeley.edu/node/1769
[15] Clean-Air-Cool-Planet Climate Action Toolkit found at: http://www.cleanair-coolplanet.org/toolkit/imp-policy.php

The principal state policy guiding energy conservation is the DOA Energy Use Policy, adopted in November 2006, which pertains to all state-owned facilities, including UW System facilities. In addition, DOA has developed project energy design guidelines, day lighting standards, lighting design guidelines, and sustainable policies and facilities guidelines for new construction.

DOA has been given responsibility for all state facilities under s. 16.85, Wis. Stats., including responsibility for establishing policies for necessary technical guidance in these areas. DOA policies, which apply to all state-owned and leased facilities, identify the parties responsible for energy conservation, including agency heads, program managers, and users. The policy also specifies standards covering lighting, heating, cooling, mechanical devices, and plumbing systems associated with different types of facilities and uses.

The UW System does not have a central energy conservation policy. While a systemwide policy would demonstrate commitment to energy conservation, care would be needed to ensure consistency with and prevent duplication of existing DOA policies. In addition, a systemwide policy would need to take into account the statutory authority of DOA and the State Building Commission to approve certain building projects.

Outside of Wisconsin, we found that the California State University Board of Trustees, which is statutorily responsible for its university facilities, has a systemwide policy statement on energy conservation. Adopted in 2006, the policy directs each campus to develop a campus-wide integrated strategic energy resource plan to include recommendations in the areas of new construction, deferred maintenance, facility renewal, water conservation, solid waste management, and a structured energy management plan.

Energy Conservation Goals and Plans

While each practice or policy that UW institutions adopt can promote energy savings, campus facilities managers and sustainability coordinators emphasized that major systemic changes depend on a campus culture that promotes a coordinated strategy and involves all stakeholders. One tool to accomplish this is through a strategic planning process that helps the university coordinate and plan both facilities-related initiatives and behavioral changes.

Such a process complements other campus planning. It can help ensure that energy conservation measures are considered in the master planning process or in planning capital purchases and operating budgets. A strategic planning process can integrate energy conservation principles and practices into an institution's management and culture. We found some existing efforts to integrate energy conservation with other campus activities, goals, policies, and objectives:

- *UW-Oshkosh*: At UW-Oshkosh, strategic planning is being used to integrate energy conservation into existing operations and facilities planning. UW-Oshkosh had previously created campus master plans, conducted an environmental audit, and developed institutional vision and mission statements that include sustainability as an institutional goal. In 2006, the chancellor created a campus sustainability team and charged it with responsibility for developing an integrated Campus Sustainability Plan to "guide the University in an effort to be a leader in responsible environmental stewardship, education, outreach and research."

The UW-Oshkosh plan, adopted in April 2008, covers a wide range of energy conservation activities, including electrical energy management, campus heating, sustainable energy, facilities planning, renovations, and construction. The plan recognizes the importance of behavior change in achieving goals. Among the plan's goals, for example: (1) reducing the annual consumption of fossil fuels for heating by 50% from 2000 levels by 2012; (2) reducing overall water consumption levels by 50% from 2000 levels by 2012; (3) using energy efficient and sustainable design standards on all new construction and applicable renovation projects undertaken after 2007, with all such projects seeking to meet or exceed the LEED "Silver" level of sustainability; and (4) reducing car trips to campus by 20% by 2012 through incentives and improvements in sustainable alternatives. The plan includes actions for the first year, for three years, and for five years or more.

The Campus Sustainability Plan is being implemented through the creation of a permanent Campus Sustainability Council, which includes representation from across campus to advise campus leaders on sustainability initiatives. In addition to hiring a campus sustainability director, unit-level sustainability coordinators from each functional area are being assigned and trained.

- *UW-River Falls*: UW-River Falls included campus sustainability in its 2007-12 strategic plan ("Living the Promise"), with specific elements on energy conservation to meet the Governor's energy independence initiative. UW-River Falls seeks to serve as a "leader within the UW System and as a model for higher education nationally" and to work together with the Board of Regents, UW System, and other parties to "implement goals, policies, programs, and projects that will maximize the use of direct or indirect sources of alternative and renewable energy."[16] A sustainability committee is devising implementation strategies.

- *UW-Madison*: UW-Madison's "We Conserve" energy initiative, which began in 2006, uses a range of engineering, education, and outreach strategies to motivate the university community to change behavior and save energy. The program's primary stated goals are to: (1) instill a lifelong energy conservation spirit into the community's consciousness; and (2) reduce campus energy consumption per square foot by 20% by 2010. As of June 2009, the We Conserve website reports energy savings of $7.8 million and carbon dioxide reduction of 59,000 tons at UW-Madison since April 2006.

- *Other universities*: In response to budget cuts, the University of Iowa increased its focus on institutionalizing energy savings, while still allowing for growth and maintaining service. In 2004, the university's president created the Energy Conservation Advisory Council (ECAC), made up of faculty members, staff, and students charged with planning, developing, and reviewing the progress of campus-wide energy conservation initiatives. The university focused its efforts on changing campus behavior. The Associate Vice President and Director of Facilities Management stressed the importance of "going well beyond a program or initiative to imbed energy-saving best practices into the long-term institutional culture."[17] The university estimated that energy awareness and increased building efficiencies resulted

[16] Living the Promise: UW River Falls 2007-12, Strategic Plan, Goal 7, Initiative 3, Task 2 description.
[17] "Additional UI budget cuts galvanize campus energy conservation plans." (March 4, 2005). FYI Faculty and Staff News. Found at: http://www.uiowa.edu/~fyi/issues/issues2004_v42/03042005/conservation.html

in a savings of $1.1 million in energy costs from 2005 to 2007. The ECAC was replaced in 2009 with an office of sustainability.

Similar efforts to institutionalize energy conservation have occurred at the University of North Carolina-Chapel Hill. In 2001, after two years of volunteer efforts to raise awareness of energy conservation on campus by a coalition of students, faculty, and staff, the university hired a full-time sustainability coordinator. In January 2005, the Vice Chancellor's Sustainability Advisory Committee was formed to develop and champion strategies that would institutionalize sustainable practices, including energy conservation.

The University of South Carolina (USC) adopted an environmental policy in 2001, completed a plan for implementing the policy in 2004, and contracted with Johnson Controls, Inc. for energy management services and campus improvements. Along with replacing an energy plant, the contractor was to identify additional energy-savings opportunities related to both facilities and student and faculty actions. The $34 million performance contract required no up-front investment from USC; rather, the improvements are paid for through energy savings, which are guaranteed throughout the 13-year contract term. Estimated savings are approximately $4 million annually.[18]

Some campuses have already found it advantageous to merge facilities-related and behavioral approaches into a cohesive strategy. Others could also benefit from the type of planning process that allows for consideration of how energy conservation can best fit into the overall operation and culture of the institution.

Given the recent budgetary constraints, some UW institutions may be choosing to focus on cost-savings initiatives other than energy conservation. However, as resources for energy conservation are identified, ***we recommend that UW institutions that have not already done so implement processes for incorporating both facilities-related and behavioral practices into an institution-wide energy conservation strategy that describes action steps and priorities.*** One way of accomplishing this is through a strategic planning process, which would involve identifying: goals, measurable objectives, action steps assigned to specific "champions" who would implement the strategies, timeframes for action, and expected follow-up reports or activities. Plans can be posted on institutions' websites so that all members of the campus community can easily learn how they can participate.

Resources for Planning and Follow-up

A strategic planning process can identify campus-specific energy conservation goals, strategies for meeting the goals, and action steps and timelines. Performance in meeting the goals and objectives of the strategic plan typically is evaluated on a periodic basis, such as through annual reports.

[18] "University of South Carolina Engages Johnson Controls for Energy Savings." (Nov. 2004). Association of Electrical and Medical Imaging Manufacturers (NEMA). Found at: http://www.nema.org/media/ind/20041129c.cfm

Various means have been used to support planning efforts. At UW-Oshkosh, a 23-member planning team represented a wide spectrum of students, faculty, and staff who committed to work together toward sustainability goals. The planning process was given high priority by the Chancellor's office. Some funding was provided through reassignment of faculty time and a modest budget for materials and supplies. If funding can be made available, plans can also be developed by a sustainability coordinator or other staff, through a contract with a strategic planning consultant, or possibly through the assistance of professional planning staff of a Regional Planning Commission (RPC). Wisconsin's eight RPCs were created by state statute to provide planning services to organizations and local units of government and conduct planning studies on many topics, including energy conservation.

Also, some private foundations support energy conservation and environmental sustainability. The Kresge Foundation has funded "green building" planning and initiatives for the Universities of Hawaii, Pennsylvania, and Wyoming. In addition, Shell Oil provided funding to create the Shell Center for Sustainability at Rice University, which develops and implements education, outreach and campus strategies, and policies focusing on sustainability, including energy conservation.

Energy efficiency block grant opportunities funded through the 2009 American Recovery and Reinvestment Act are likely to be a potential revenue source for energy conservation planning. They may be used to help identify, design, and implement sustainable energy infrastructure in communities in which higher education institutions are located. However, the amount and communities awarded these funds will not be known until after the applications have been submitted and reviewed.

CONCLUSION

The UW System as a whole has made gains in energy efficiency through conservation efforts over several decades. To achieve energy conservation, UW institutions use a wide variety of practices, both facilities-related and behavioral, reflecting the unique nature of each institution. However, facilities managers at all UW institutions described challenges in making additional improvements in energy conservation, because the easiest or least costly energy-saving projects have already been implemented.

Our report recommends that each UW institution continue to pursue possible funding opportunities for energy conservation projects through a state appropriation for energy conservation projects, as well as through the American Recovery and Reinvestment Act.

In addition, several UW institutions have emphasized formal planning efforts that focus on energy conservation. Such processes can promote a coordinated strategy that involves all stakeholders. Our report recommends that each UW institution implement a process for incorporating facilities-related practices, as well as behavioral and educational practices, into an institution-wide energy conservation strategy that describes action steps and priorities. The process would identify goals, measurable objectives, assigned responsibilities, timeframes, and follow-up activities.

Appendix A

ENERGY USE AMONG UW INSTITUTIONS
FY 2005 and FY 2008

UW Institution[1]	Thermal BTU per Gross Square Foot		Electrical BTU per Gross Square Foot		Total Adjusted Percentage Change[2]
	FY 2005	FY 2008	FY 2005	FY 2008	
Eau Claire	108,640	98,592	40,508	37,164	(14.5)
Green Bay	120,311	85,323	54,211	45,712	(26.7)
La Crosse	111,932	107,435	38,509	38,037	(6.6)
Madison	231,024	226,518	69,406	73,856	(3.7)
Milwaukee	120,968	126,609	50,959	54,956	3.2
Oshkosh	97,371	96,011	39,080	36,061	(4.2)
Parkside	97,238	96,311	46,885	47,038	(4.4)
Platteville	103,200	96,765	36,016	36,032	(9.6)
River Falls	92,456	91,485	32,102	29,871	(9.0)
Stevens Point	128,082	118,947	36,054	34,919	(11.1)
Stout	80,464	81,706	32,598	29,957	(8.0)
Superior	131,246	128,090	30,821	29,891	(8.5)
Whitewater	110,212	88,592	35,669	38,957	(17.0)
UW Colleges	68,364	64,545	31,934	29,701	(9.2)
UW System Total	157,378	152,605	51,801	53,269	**(5.3)**

Source: DOA Conserve Wisconsin Survey Results, provided by UW System Capital Planning and Budget

[1] Data is not available for UW-Extension.
[2] Figures are adjusted by DOA to measure energy efficiency and to eliminate fluctuations in weather.

Appendix B

UW INSTITUTIONS' INTENDED APPROACH FOR NEAR-TERM PROJECTS

UW INSTITUTION	PROJECT	SEEKING LEED CERTIFICATION?
Eau Claire	Davies Center Redevelopment	No; but high performance per DSF standards.
	Education & Student Services plan	Likely; to be determined prior to design.
Green Bay	Rose Hall/Wood Hall	No; but adaptively reuses buildings.
La Crosse	Academic building	Yes.
	Stadium	No.
	New 500-bed residence hall	Yes.
Madison	BioChem II	No.
	Chadbourne & Barnard residence halls	No.
	Education	Yes.
	Chazen museum	No.
	SoHE	Yes.
	Integrated Dairy phase II	No; this is a design-build farm building.
	Music performance building	Waiting for fundraising; to be determined during pre-design.
	South campus union	Yes.
	Memorial Union	May seek LEED for existing building.
	Randall Dayton utility project	No.
	Wis. Institutes for Discovery	Yes.
Milwaukee	Golda Meir Library remodel – phase I	No; this is a remodeling and renovation project.
Oshkosh	New academic building	Yes.
	Elmwood Center remodel and addition	Yes.
	Residence hall	Yes.
Parkside	Comm. Arts (Fine Arts)	No, but high performance per DSF standards for addition and renovated space.
	New residence hall	No, but high performance per DSF standards.
Platteville	Williams Fieldhouse	No, but high performance per DSF standards.
	Boebel Hall	No, but high performance per DSF standards.
River Falls	Field South Fork Suites	Likely; to be determined prior to design.
	Health and Human Performance plan	Likely; to be determined prior to design.
Stevens Point	New suite-style residence hall	Yes.
	Residence hall renovation	No; this is a remodeling and renovation project.
Stout	Hovlid Hall	No; this is a remodeling and renovation project.
	Price Commons second-floor Renovation	No; this is a remodeling and renovation project.
	Jarvis Hall	No, but high performance per DSF standards for addition and renovated space.
	Harvey Hall – phase I theater	No; this is a remodeling and renovation project.
Superior	Academic building	No.
	Student center	Yes.
	Jim Dan Hill Library	No; this is a remodeling and renovation project.
Whitewater	New residence hall(s)	Yes.

Source: UW System Office of Capital Planning and Budget

BUSINESS, FINANCE, AND AUDIT COMMITTEE

Resolution:

That, upon the recommendation of the UW System Ad-Hoc Committee on Mental Health and the President of the University of Wisconsin System, the Board of Regents approves the revisions to the Basic Health Module (Regent Policy Document 23-1) detailed in Appendix A of the final report of the Ad-Hoc Committee on Mental Health.

UNIVERSITY OF WISCONSIN SYSTEM
REPORT OF THE AD HOC COMMITTEE ON MENTAL HEALTH

EXECUTIVE SUMMARY

BACKGROUND

Mental health has become a major issue of concern for colleges and universities throughout the country. Within the last two years, a number of groups have looked at issues that directly or indirectly connect with mental health related problems on UW campuses, including a recent mental health program review conducted by the Office of Operations Review and Audit. Several recommendations have surfaced from these reports that needed further review and follow-up. In December 2008, the Ad Hoc Mental Health Committee was formed to review the prior reports and recommend actions and policy initiatives to address this critical area of need.

The Ad Hoc Committee completed its report in August 2009 which was subsequently sent to UW institutions for review and comment. Based upon the input from the campuses, the committee finalized its report which will be presented to Business, Finance, and Audit Committee at its December 2009 meeting.

REQUESTED ACTION

Approval of resolution I.2.c.

DISCUSSION

Historically, counseling centers and student life staff have focused on developmental concerns of incoming college students. College students are now arriving on campuses with more mental health issues than previous generations of students. This added dimension is stressing, and will continue to stress, the mental health resources on campuses. Add the growing number of veterans who are coming back to campus after their tours of duty, and the demands on counseling services become even more significant. The number of counselors available, the skill level, and the availability depends to a large degree on campus resources.

The International Association of Counseling Services (IACS) recommends a counselor-to-student population ratio of one counselor for every 1,000 to 1,500 students. The UW System average ratio is one counselor to every 2,143 students. The national average is one counselor to

every 1,969 students. UW institutions have made some gains since the audit and review in 2008, but will need to continue their efforts to reach the IACS recommended levels of staffing.
One of the specific charges of this ad hoc committee was to review and update the UW System Basic Health Module (Regent Policy Document 23-1) focusing on counseling and mental health services. The Basic Health Module has been revised to include a broader and more expansive definition of health including physical and emotional health. Counseling and mental health services have been added throughout the document to bring the importance of emotional health into balance with the emphasis on physical health. Other additions include establishing or enhancing connections with the community through behavioral intervention teams and threat assessment as well as suicide prevention programming.

Recommendations:

The following are the key recommendations from the committee:

- Establish and collect a standard set of data elements to determine trends, service delivery patterns, and staffing needs.
- Fund research initiatives to evaluate the impact of mental health services on academic success/progress.
- Create an annual best practices summit to provide training in nationally recognized best practices in college counseling.
- Clarify issues related to high-risk referrals based upon best practices.
- Continue to seek funding opportunities to support the appropriate level of counseling services.

RELATED REGENT POLICIES

Regent Policy Document (RPD) 23-1: Basic Health Module

UW System Ad Hoc Mental Health Committee

Final Report

December 11, 2009

Report includes appendices:

- Basic Health Module (23-1)
- Committee Membership
- Jed Foundation article
- References

UW System Ad Hoc Mental Health Committee Report

Student Mental Health Needs

The perception that college students are arriving on our campuses with increasingly complex psychological, emotional, and behavioral challenges is clearly supported by empirical data. A recent study that tracked changes in counseling center client problems across 13 years indicated that the number of students reporting depression doubled, those reporting suicidal ideation has tripled and those being seen for sexual assault quadrupled (Benton et al, 2003). A recent National epidemiological study found that in the past year alone over 20% of college students experienced an alcohol use disorder, over 10% demonstrated major depression or bipolar disorder and nearly 12% had an anxiety disorder (Blanco et al, 2008). Finally, an increase in the enrollment of Military Veterans is expected to increase the demand for mental health services as well (*Student Affairs Today, 2009*).

Mental Health Needs Impact Academic Success

These mental health problems clearly impact students' academic performance and retention. For example, the Spring 2007 National College Health Assessment of over 70,000 students nationwide found that within the past year the following psychological factors affected academic performance (received an incomplete, dropped a course, received a lower grade in a class, received a lower grade on an exam or important project):

- 34.1 % Stress (28.7% in 2000)
- 26.1% Sleep difficulties (20.7 in 2000)
- 19% Concern for troubled friend or family member (16.4% in 2000)
- 16.4% Relationship difficulty (15.1% in 2000)
- 16.3% Depression/anxiety disorder/SAD (11.3% in 2000)
- 9.4% Death of a friend or family member (7.9% in 2000)
- 7.7% Alcohol use (7.9% in 2000)

Due to the high prevalence and significant academic impact of mental health problems, the University of Minnesota System conducted an in-depth study of the relationship between mental health problems and academic performance. The 2007 College Student Health Survey Report, Health and Academic Performance: Minnesota Undergraduate Students reported the following:

- Among students surveyed, 27.1% reported being diagnosed with a mental health condition within their lifetime, and 15.6% reported being diagnosed with a mental health condition within the past 12 months.
- Students who reported being diagnosed with a mental health condition within the past 12 months had a statistically significant lower mean grade point average (3.18) compared to students who were not (3.26). The impact of being diagnosed with a chronic health condition had less impact than being diagnosed with a mental health condition. http://www.bhs.umn.edu/healthdata/results/

- These mental health conditions included anorexia nervosa, anxiety disorders, attention deficit hyperactivity disorder, autism, bipolar disorder, bulimia nervosa, major depression, obsessive-compulsive disorder, panic disorder, post-traumatic stress disorder, seasonal affective disorder, and social phobia/performance anxiety.

Mental Health Counseling Services Provided by Colleges and Universities

Other university systems and individual universities have made efforts to determine what mental health services are appropriate for their institutions to provide. The University System of Georgia and the University of California System have both established minimum standards of counseling services they felt were necessary to effectively address the mental health needs of students. Both systems described essential services quite similarly. The services should include, but are not limited to: individual counseling; group counseling; crisis intervention, counseling, and referral; assistance and referral; individual and/or group career counseling; programming that focuses on the developmental needs of students; and educational and consultative services. The University of California System's guidelines for essential counseling services includes: assessment; triage/referral; individual, short-term counseling and psychotherapy; group counseling and psychotherapy; emergency services; case management; psychiatric services; referral to community resources for specialized care; consultation with faculty and staff; outreach; prevention; and education. A similar range of services is endorsed as essential by an accrediting agency, the International Association of Counseling Services (IACS), and the Council for Advancement of Standards in Higher Education (CAS).

The level of mental health counseling services offered by individual colleges and universities is often dictated by the available resources. A common measure of resources is the professional-counseling staff-to-student ratio. IACS standards call for efforts to maintain a minimum staffing ratio of one professional full-time-equivalent (FTE) staff person to every 1,000 to 1,500 students. A 2008 program review by UW System Office of Operations Review and Audit found that, in fiscal year 2006-07, only one UW institution met the IACS staffing ratio. The System average staffing ratio was one to 2,143. The average among college and university counseling centers participating in a 2007 national survey of counseling center directors was one to 1,969. The UW System President's Commission on University Security Subcommittee on Counseling Services recommended that UW institutions work toward meeting 75 percent of the IACS staffing standards, which would be a ratio of one professional FTE staff person to every 1,333 to 2,000 students *(IACS website)*. Recently, some progress has been made toward decreasing staff to student ratios at some UW System institutions, however, additional resources are still needed.

In recent years, a number of colleges and universities have assessed their institutions' resources for mental health counseling services. In 2005, the University of California System established a system-wide student mental health committee to assess trends in student mental health and determine the level of services needed. The committee found increased demands for mental

health counseling services. To enhance student mental health services, the University of California System, in 2007, imposed a mandatory increase in student registration fees. The increased fees were to be used to hire additional psychologists, psychiatrists, and other mental health professionals, and to expand programming that promotes student well-being.

Overview of Services Currently Provided by UW System Institutions

The thirteen comprehensive University of Wisconsin institutions currently provide most or all of the services recommended by IACS and those recommended by other university systems nationally. The services offered by UW institutions include individual counseling, group counseling, crisis intervention, psychiatric services and medication management, screening and referrals, as well as outreach and educational programming. In addition, counseling centers have been called upon to play an expanding role on campus threat assessment and student at risk response teams, as well as campus safety training, suicide prevention training and initiatives, and outreach and education for students, faculty, and staff in how to identify, intervene, and refer members of the community who are suicidal or may be at risk of harming others. This level of services is difficult to sustain with current staffing levels. In the August 2008 Mental Health and Counseling Services Program Review by UW System Office of Operations Review and Audit, only three UW Colleges offered counseling services to their students, with efforts underway to offer counseling services at the remaining UW Colleges.

Centers are utilizing a variety of means to meet increasingly complex service demands and the expanding role of Centers in campus safety, with the same or decreasing resources. Centers have done this through efforts such as triage and screening for appropriate services, a brief time-sensitive psychotherapy model, case review and referral as available and appropriate, managing missed appointments, and group therapy. In addition, Centers must continue to play a key role in working with the campus community on primary and secondary prevention efforts, such as early identification of at-risk students, encouraging help-seeking behaviors, reducing stigma associated with seeking mental health services, and promoting life skills development and coping skills.

Revised Basic Health Module

The Committee reviewed Regent Policy Document (RPD) 23-1 entitled “Basic Health Module”, making recommendations for revisions that “reflect changing student needs, student demographics and generally accepted mental health care practices and community resources.” The attached Revised Basic Health Module (see Appendix A) clarifies guidelines for a minimum level of mental health services at every UW institution (including 2 year College campuses) without substantially modifying the policy with respect to physical health services. The Committee worked collaboratively with the Counseling and Health Directors and sought additional review and feedback from the Directors of Residence Life, Public Safety, International Services, Disability Services, Student Government Representatives and Chief Student Affairs Officers system wide. The recommended policy was made more inclusive of mental health

services recognizing that the campus needs to provide services to ensure both the safety of the community and the needs of students so that the student can be functional and successful in the higher education setting. The recommended revised RPD 23-1 is attached in Appendix A.

Implementing Recommendations from Audit/Previous Reports and answering the questions posed by the Board of Regents

The Ad Hoc Task Force endorsed several recommendations contained in earlier reports and proposed several new recommendations:

- In an effort to provide system wide data and track trends in services delivered and needed, UW System Administration should work with Counseling and Health Center Directors to develop a standard set of data elements to be compiled annually to determine trends, service delivery patterns, and staffing needs. UW System could collect and summarize data annually as well as provide other national and statewide summaries as points of comparison.
- Research to evaluate the outcome and impact of counseling is useful locally as well as system wide. UW System should fund a system wide research project to assess the impact of mental health services on academic success/progress to provide a basis for system wide strategic planning.
- An annual best practices summit should also be organized and supported by the UW System to allow institutions to share their best practices and receive training in national best practice models, e.g. case management, mandated therapy requests, outcomes assessment, management of high risk students, and a comprehensive approach to addressing mental health issues on campuses, such as identifying students at risk, encouraging help-seeking behaviors and reducing stigma, crisis management procedures, encouraging life skills development, disability issues and providing access to appropriate mental health services.
- In an effort to maximize resources to meet increased demands and complex student needs, the UW System Directors of Counseling Services must clarify issues related to high risk referrals. The Jed Foundation provides a concise best practice model for student referral that includes a definition of high risk and a protocol for normal and high risk referrals, continuity of care, and follow-up with the client (see Appendix B).
- Continuous effort must be made to explore funding sources to meet minimum staffing levels consistent with the recommendation in the UW Mental Health Counseling Services Program Review, August 2008. The President's Commission on University Security, Counseling Services Subcommittee Final Report August, 2007 recognized the IACS staff to student ratios as an

appropriate metric. We recognize progress has been made toward meeting the IACS ratios and we recommend that institutions continue to work toward the goal of achieving 75% of the IACS recommended staff to student ratio.

- Preserving mental health counseling budgets in these difficult times is vital. Every effort should be made to increase staffing toward meeting the aspiration of the IACS Standards and avoid Mental Health Counseling budget cuts.

Appendix A

Changes to the document are underlined

23-1 BASIC HEALTH MODULE (Formerly 78-9)

Introduction

The University of Wisconsin System recognizes that the present and future health of its students is among the most precious of its public resources. Students' most pressing physical and emotional health concerns influence academic achievement and affect civility, citizenship, and connectedness. Attention to these important health issues permits the university to educate and prepare learners as whole human beings.

"Health is best understood as capacity – the presence of conditions that enable individuals and communities to work, learn, participate as citizens, and have strong human relationships. Health, in other words, embraces many elements of life: it is not simply the absence of disease or injury, and it is not just a medical, or clinical, quality. Among students in higher education, health supports the capacity to learn; when health is compromised, learning is constrained. Health problems among students include the universe of personal, developmental, social, physical, and mental issues that reduce their capacity to learn – from disruptions in relationships or stress to chronic, intrapersonal, physical or psychological illnesses" (Fabiano, Keeling, and Viele, 2006, p.69) .

To this end, in this document the Board of Regents delineates a basic module of the minimum level of physical and mental health care that must be available to students at each of the UW System two and four-year institutions. Essential to the acceptance of the basic module is the continuation of the principle that institutional self-determination with respect to levels of physical and mental health care will continue. Determination of the level of services to be provided above this basic module will be the responsibility of the Chancellor of each institution. Recommendations for increases above the level established by the Chancellor will be made by appropriate institution governance groups for consideration by the Chancellor and the Regents.

The Board of Regents does not prescribe the manner in which the basic module of services will be provided or made available. The characteristics of each institution, the community where it is located, and characteristics of the student body will result in a variety of strategies for providing the services. Components of the basic module may be the primary responsibility of the institution's health and mental health services. The responsibilities may be distributed across a variety of institution offices. Some services may be contracted out to community service providers. Coordination and collaboration among service providers – institution or community - is critical. It is expected that the basic module of services will be readily accessible (physically and financially) and will meet accepted standards for quality.

The institution service providers must have the appropriate resources including space and personnel. The staff is expected to model ethical and professional standards, and have the appropriate professional and educational credentials and skills as determined by the institution. They should have access to and utilize outside resources or consultation to augment programming. Ongoing participation in continuing education programs should be an expectation.

Note: In section below, the order of topics has changed from the current 23-1

Services to be Provided/Available

Students should be informed participants in all of their health care decisions. Educating students regarding health care utilization and discussion of insurance issues should be incorporated as appropriate. Services not available on campuses or services beyond what campuses can provide should be available by referral mechanisms. After hours care, emergency services, and hospitalization should be accessible to students or available by referral.

Clinical (medical and nursing) Services

Clinical Services should include easily accessible medical care for evaluation and treatment of health related concerns, injuries, and illnesses. These services should include diagnosis, treatment, and follow up care for acute illness, chronic illness, and injury. Prevention of illness to include individual health counseling and instruction in self-care should be an essential component of the clinical visit. Physical examinations for well women's and well men's care, sexually transmittable infection screening, immunizations, and travel health consultation should be available. Mechanisms for providing pharmaceutical, laboratory, imaging, surgical, physical therapy, dentistry, and overnight care services should be determined by each individual institution. At a minimum, these clinical services should be available by referral mechanisms.

Mental Health and Counseling Services

Mental Health and Counseling Services Mental health is a critical factor in student success. Ongoing psychological or emotional distress can significantly disrupt student academic progress. Each institution should provide counseling services sufficient to address the psychological and developmental needs of students as well as respond to unexpected crises. Services should reflect a brief psychotherapy model that is time sensitive and goal oriented. The services should be provided by licensed mental health professionals, e.g., psychologists, social workers, counselors.

Services should include an educational component geared to helping students develop effective self-care and adaptive skills. Psychiatric evaluation and medication management should be available and accessible. Communication between the institution's health and counseling services is essential to assure coordination and continuity of care for student patients/clients.

Counseling services should develop and maintain referral sources for students with psychological conditions that require more intensive care.

Health Education, Health Promotion, and Prevention Services

A primary role of the institution's health and counseling services is to provide health education that informs students of the effects of current behavior on future health status. There should be an emphasis on how current behavior affects their learning environment, their performance at the university, and their ultimate quality of life. Providing a healthy environment that supports wellness behaviors, promotes healthy lifestyle choices, and provides health education is consistent with the mission and goals of higher education.

Health education is both a process and a program. Health and counseling service professionals should use every student contact as an opportunity to address key health indicators from a variety of contexts. Institution health and counseling services have the opportunity to promote positive attitudes, healthy lifestyles, and responsible self-care. Students should be encouraged to become active participants in promoting and protecting their health and wellbeing.

A systematic assessment of the target population's needs should provide direction and highlight the most significant areas needing attention and prevention efforts. Including students as active participants in the process of identifying needs enhances the possibility of success. The American College Health Association's Healthy Campus document (modeled after the nationally recognized Healthy People documents and updated every ten years), identifies a number of high priority issues for campus settings. Health education/health promotion/prevention activities should address significant issues such as:

Alcohol and other drugs
Sexual health
Social and emotional health
Coping with stress in competitive education environments
Intentional and unintentional injury
Nutrition
Psychological relationships to food
Anxiety
Depression
Suicide Prevention
Health services costs and availability of insurance
Links between campus health services and other academic and service departments

Programming and services should use a variety of screening foci, sites, and methods, e.g. one-on-one encounters, informal group or formal classroom sessions, co/sponsored theme health events, or programming by trained Peer Health Educators who share their skills with fellow

students. Methods should be developed for evaluating the quality and effectiveness of programming and services.

Public Health **Note change in order of paragraphs in this section**

Each institution's health and counseling services should play a role in addressing the core functions of public health, including assessing the health related needs of the campus, supporting policies that promote and protect the health of the campus community, and collaborating with other institution departments to assure that needs are addressed.

The institutions of the UW System exist both as discrete communities and as components of the larger community where they are located. Protecting the health and safety of members of the institution's community requires a robust institutional public health surveillance infrastructure that will address 1) communicable disease surveillance/prevention through disease identification and reporting, epidemiologic investigations, screening programs, immunization programs, and plans/procedures for quickly responding to disease outbreak situations, 2) issues of environmental health and safety including food safety, air quality, waste disposal, pest control, and water quality including swimming pool inspections, and 3) identification and intervention of at risk students and situations, for example: educating the community, behavioral intervention teams, threat assessment, and suicide prevention programming.

The institution, usually through its health service, should have strong collaborative relationships and agreements (delineating roles and responsibilities) with local (city and/or county) public health agencies. Institution health services should provide the critical link to these agencies. Each institution's health and counseling services should be active participants in the institution's crisis response planning.

Access to Affordable and Sufficiently Comprehensive Health Insurance

Access to the full range of health and mental health services that students might require during their academic experience requires adequate health insurance coverage. Institutions must provide access to a university sponsored health insurance plan that is reasonably priced. The plan must complement the health and counseling services provided by the institution. When feasible, collaboration among institutions to develop a common plan is encouraged. Each institution's health and counseling services should take a leadership role in selecting the plan and communicating its importance to students and their families. Institution health services should encourage all students to have comprehensive, affordable health insurance.

Quality Management and Improvement

The University of Wisconsin System is committed to the principles of quality management and improvement and expects institutions to apply these principles in providing health and psychological counseling services to students. Institution health services are encouraged to seek formal accreditation by a national health care accrediting organization such as the Accreditation Association for Ambulatory Health Care (AAAHC). Mental health counseling units should use

the International Association of Counseling Services Accreditation Standards (IACS). Both health services and mental health services may want to consider The Council for the Advancement of Standards in Higher Education (CAS) as a model for designing and organizing services. Absent formal accreditation, institution health and counseling services should seek periodic external review of their programs and services.

Institution health and counseling services are expected to have or participate in a quality management program that includes a process for credentialing, privileging and/or licensure of providers and other professional staff, a system of peer review for providers, ongoing systems for assessing/evaluating utilization and patient/client satisfaction, and a quality improvement program addressing clinical care issues, administrative concerns, and cost of care issues.

Funding Options and Strategies

Existing University of Wisconsin System and Board of Regents policies delineate the acceptability of several options for funding the provision of health and psychological counseling services to students. Student segregated fees are the preferred primary funding source for student health services and health education/wellness programs (Student Services Funding – G15). General program revenue funding (GPR) and fee-for-services funding are deemed acceptable. General program revenue is the preferred primary funding source for counseling services including personal individual, group, crisis intervention, and AODA counseling; outreach and prevention; and consultation with faculty and staff regarding student problems (Student Services Funding – G15). Segregated fees and fee for non-crisis services funding are deemed acceptable. Most campuses will use a combination of these three funding sources. Students should play an important role in determining the balance between segregated fee and fee for service funding. There should be a goal of keeping student out of pocket costs at a minimum. It is important to limit out of pocket expenses so that cost will not be a barrier to students receiving necessary health care and counseling services.

Financial and Administrative Policy, Segregated University Fees – F50, specifically describes appropriate categories of segregated fee expenditures for the operations and activities of institution health and counseling services. These include salaries for staff including student staff, professional services, facilities/equipment/supplies/services, organizational membership fees, and debt service reduction. Regent Policy Document 19-8, Funding of University Facilities Capital Costs, specifically prohibits the use of segregated fees as a source of funding for the construction of student health and counseling service facilities. GPR funding is the prescribed funding source for construction of student health service facilities. Gift funds are an allowable/acceptable source.

Appendix B

How Should a Referral be made From the Health/Counseling Center to a Community Provider?

The Jed Foundation, Student Mental Health and the Law: A Resource for Institutions of Higher Education

A student might be referred to a community provider for continued treatment for any number of reasons, including personal choice. Most counseling centers have limits on the number of sessions they are able to provide per student and the types of services they can offer. These limits and the referral process should be discussed with students at the beginning of treatment. Financial resources may limit a student's options for treatment in the community, and some regions may have limited options for community providers.

Professional standards suggest that any student referred out of the campus health or counseling center should be given the names of two or three community treatment providers, assuming that eligible providers are available in the area. Ideally, the referring provider should maintain an updated list of appropriate providers (e.g., licensed clinicians) and consider whether a student should be matched with specific providers based on their expertise or practice area. Once a referral has taken place, it is good professional practice to make at least one attempt to follow up with the student about whether s/he has seen the new provider.

Any decision to terminate the care of a student in distress should be made in consultation with a supervising clinician or colleague and legal counsel, if available, since providers may have on-going obligations in such situations. If the student's care must be transferred when the student is unstable (e.g., at significant risk for suicide), the referring provider should take steps to see that care is successfully transferred and the new provider sees the student. In addition, the new provider should have the professional capacity to address the student's specific concerns or needs.

From: The Jed Foundation, Student Mental Health and the Law: A Resource for Institutions of Higher Education. New York; NY: The Jed Foundation, 2008.

Appendix C

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Office of Operations Review and Audit

Program Review

UW-SPONSORED CAMPS AND CLINICS: PARTICIPANT HEALTH AND SAFETY AND UW LIABILITY

November 2009

Table of Contents

EXECUTIVE SUMMARY

Literature indicates that many colleges and universities offer camps and clinics, and some have offered camps and clinics for a long time. The UW System Office of Operations Review and Audit reviewed UW-sponsored camps and clinics. These camps and clinics are offered by entities affiliated with the UW or by UW employees acting in their capacity as employees, and intended to serve aspects of the UW's educational mission. The review examined: characteristics of camps and clinics; practices and procedures to address participants' health and safety issues and to protect the UW System from potential liability in the case of participant injury; and administrative and management practices for camps and clinics.

Characteristics of UW-Sponsored Camps and Clinics

Providing a summary of camps and clinics offered by UW institutions is difficult because the definition of "camp or clinic" varies and because a comprehensive list of UW camps and clinics does not exist. Using a definition of camp or clinic developed specifically for this review, UW System institutions reported offering more than 750 events and programs that meet this definition in calendar year 2008. Over 50,000 individuals enrolled in these events and programs.

Camps and clinics offered by UW institutions are very diverse. The most prevalent UW camps and clinics are sports activities, but UW institutions also offer many music, arts, and college preparation and exploration camps and clinics. The 33 camps and clinics selected for this review vary significantly in terms of their age, duration, fee assessed, age of the participants, number of participants, revenue generated, inherent risk posed to the participants, and potential liability for the UW. Some involve higher-risk activities, such as the use of recreational firearms, archery, ropes or challenge courses, horseback riding, and rock climbing.

Participant Health and Safety and Risk Mitigation Practices

In Wisconsin, recreational and educational camps are regulated by the Wisconsin Department of Health Services (DHS). The UW System does not have its own separate health and safety requirements for camps and clinics, but has adopted DHS requirements with the approved variances. The regulations, codified in ch. DHS 175, Wis. Admin. Code, address a wide range of health and safety issues, including lodging, supervision, and health care.

UW institutions have adopted an array of policies, procedures, and practices aimed at protecting the health and safety of individuals participating in UW-sponsored camps and clinics. Even so, the report identifies a number of areas where UW institutions' efforts could be enhanced. Because certain risks are inherent in all camps and clinics, the report recommends that UW institutions, if they have not done so: 1) adopt and implement the health requirements for camps in s. DHS 175.19, Wis. Admin. Code, regardless of whether or not the UW-sponsored camps and clinics meet the definition of "camp" in DHS 175; and 2) extend criminal background checks to contractors and volunteers working directly with vulnerable populations, such as children and people with disabilities.

Injury is an inherent and persistent risk in camps and clinics, as confirmed by national studies. To help protect the UW from potential liability in the case of injury, the UW System Office of Safety and Loss Prevention offers camp and clinic insurance to UW institutions. Currently, the insurance is optional. Only a few UW institutions have mandated that all their camps and clinics purchase this insurance. Because UW institutions have reported major injuries and even deaths at UW-sponsored camps and clinics in the past, and because injury risk is unpredictable and cannot be eliminated, the report recommends that UW System make the camp and clinic accident insurance mandatory for all UW-sponsored camps and clinics.

Camp and Clinic Administration and Management

UW camps and clinics get started based on interest, demand, and perceived needs. While camp directors may consult with department administrators and human resource personnel when developing a camp budget, the only group of camps and clinics that receive formal approval from their department heads are athletic camps. The approval of athletic camps is done to satisfy the National Collegiate Athletic Association (NCAA) requirements. UW institutions' practices are consistent with many other universities.

At most UW institutions, the university departments that sponsor the camps or clinics have almost exclusive responsibility for the administration of their camps, which includes logistics, registration, payment collection, health and safety, staff hiring, and participant supervision. UW-Green Bay and UW-Whitewater have made efforts to centralize this function. Other university units, such as human resources, accounting and financial services, dining services, housing, campus police, and risk management do provide some essential support to the camp-sponsoring departments.

UW institutions commonly collect some private information subject to federal and state privacy laws, mainly health information and credit card numbers. UW institutions protect the private information collected by limiting access to certain authorized individuals, blocking the credit card information, and shredding the original registration forms once payment processing is complete. UW institutions have also implemented some proper accounting safeguards, such as separation of duties, reconciliation, and securing funds.

UW institutions can generate significant revenues and serve many people in these camps and clinics. Thus, it is important that camps and clinics are congruent with the UW's education mission and are administered in accordance with applicable federal and state laws and UW System policies, and that risks associated with these camps are identified and addressed. To enhance the administration and management of UW-sponsored camps and clinics, the report recommends that UW System institutions, if they have not done so, 1) assign an office or a committee on campus the overall responsibility for developing camp and clinic policies and procedures and for ensuring compliance by camps and clinics with those policies and procedures; 2) implement a departmental approval process for certain camps and clinics; and 3) follow the annual permit requirements in DHS 175, Wis. Admin. Code, if a camp or clinic meets the definition of "camp" in DHS 175.

SCOPE

The University of Wisconsin (UW) System Office of Operations Review and Audit reviewed UW-sponsored camps and clinics. The goals of the review were to: 1) describe the characteristics of UW-sponsored camps and clinics; 2) identify UW institutions' efforts to address participants' health and safety issues and UW liability; 3) analyze UW institutions' financial and administrative practices for UW-sponsored camps and clinics; and 4) analyze the overall management and oversight practices for UW-sponsored camps and clinics.

To conduct this review, we first obtained from UW institutions an inventory of UW-sponsored camps and clinics held in 2008. These are camps or clinics that are offered by entities affiliated with the UW or by UW employees acting in their capacity as employees, and which are intended to serve aspects of the UW's educational mission. From this inventory, we selected a sample of camps to review. The inventory likely did not include all the UW-sponsored camps and clinics due to the decentralized nature of camp management at most UW institutions. The sample was not a random or representative sample, as we wanted the selected camps and clinics to include a cross-section of different camp type, size, age of participants, longevity of the camps, and sponsoring departments.

We conducted in-person and telephone interviews with UW staff who operated or directed the camps. We selected and interviewed a total of 33 camp and clinic directors. We also interviewed some UW staff who processed the registrations and handled the finances for camps and clinics, as well as some UW risk managers. We reviewed UW institutional policies and procedures on camps and clinics, registration forms, health questionnaire forms, and some contracts with third-party organizations hosting their camps and clinics on UW property.

The National Collegiate Athletic Association (NCAA) regulates aspects of member institutions' athletic camps and clinics. Areas regulated include operations, finances, advertisement, and employment of coaches and student athletes. Even though some camps and clinics in our sample were athletic camps and clinics, this review was not a NCAA compliance review. This review focused on participant health and safety and UW liability.

BACKGROUND

The American Camp Association, an organization that promotes the quality of camp programs and accredits youth camps in the United States, estimated that more than 10 million children and youth benefited from a camp experience at more than 12,000 camps nationwide in 2007. Our research of the literature indicated that many colleges and universities offer camps and clinics, and some have offered camps and clinics for a long time and for different purposes.

Camps and clinics can entail risks. National studies on accident and illness rates for campers indicate that injuries and illnesses do occur in camps. For instance, in 2005, a group of researchers conducted a survey of a sample of 28 camps in 14 states. During the ten-week study period, a total of 177 camper illnesses and injuries occurred during 122,379 camper days, for a

rate of 1.45 per 1,000 camper days.[1] In 2006, the American Camp Association undertook a five-year study of 295 camps drawn from approximately 2,400 camps in the United States. In 2007, the association reported that:

- The injuries for youth campers in 2007 for day camps and resident camps were 0.70 and 1.55 per 1,000 exposures, respectively. Exposure is defined as the sum of campers present at camp each day of the week.
- Youth campers were almost twice as likely to become ill at camp as to become injured.
- Communicable diseases accounted for about 20 percent of illness among youth campers, with most illnesses occurring during free time.
- More than 50 percent of the injuries in resident camps occurred during camp activity, with trips and falls being the most commonly reported causes of injuries.[2]

While injury and illness are inherent risks with camps and clinics, risk and safety authorities noted that certain injuries and illnesses to the camp participants are preventable.[3] Also, implementing proper health and safety policies, procedures, and practices can reduce potential liability in the case of participant injury.

DISCUSSION AND RECOMMENDATIONS

This report discusses: (1) the characteristics of UW-sponsored camps and clinics; (2) policies, procedures, and practices UW System institutions have adopted to protect the health and safety of UW camp and clinic participants and to protect the UW System from potential liability in the case of participant injury; and (3) UW camp and clinic administrative and management practices.

CHARACTERISTICS OF UW-SPONSORED CAMPS AND CLINICS

One goal of this review is to provide a summary of camps and clinics offered by UW institutions. We found that providing such a summary is difficult. First, the definition of camp or clinic may vary. The Wisconsin Department of Health Services (DHS), which regulates educational and recreational camps in Wisconsin, defines what a camp is, but its definition is limited to "premises or structures that are operated as an overnight living quarters where both food and lodging or facilities for food and lodging are provided." DHS's definition leaves out day or commuter camps where food and lodging are not provided. Second, a comprehensive list of UW camps and clinics does not exist, even at some individual campuses. The UW System Office of Safety and Loss Prevention does maintain a list of UW-sponsored camps and clinics that

[1] Yard, Ellen E, Margery M. Scanlin, Linda Ebner Erceg, Gwynn M. Powell, John R. Wilkins, Christy L. Knox, and R. Dawn Comstock. "Illness and Injury Among Children Attending Summer Camp in the United States, 2005." *Pediatrics*, Volume 118, No. 5, November 2006.

[2] American Camp Association. *Improving Camp Safety: Understanding Camp Injuries and Illness*. May 2009, <http://www.acacamps.org/research/connect/documents/ReducingCampInjuriesandIllnessYear2Result_NEConfF.pdf>.

[3] James, Len. "Accident Reports at Camps – More Than Just Legal Protection." *Pathways: The Ontario Journal of Outdoor Education*, Volume 13, Issue 1, 2002.

purchased camp and clinic insurance, but because this insurance is voluntary, not all UW institutions have elected to purchase it and are, therefore, not on the list.

To ensure that we captured camps and clinics that do not enroll in the UW System Office of Safety and Loss Prevention camp and clinic insurance program and that do not meet DHS' definition of camp, we developed a definition that incorporates the definition from DHS and from the NCAA. For the purposes of this review, "camp or clinic" means a planned recreational or instructional program that is offered to children or adults for the purposes of improving their knowledge or skills, and that offers experience in, or exploration of, a particular interest. "Camp or clinic" does not include a program for professional development, education for college credit or continuing education credit, a tournament, a competition, a visitation, recruitment, or a professional sports team training camp. (See Appendix 1 for details on the definitions.) Because there was not an institutional-wide or system-wide system that tracked or identified camps and clinics, we expected that the list of camps and clinics UW System institutions reported would likely not include all the camps and clinics offered. We examined the diversity of camps and clinics and the dangers and risks.

Diversity of UW-Sponsored Camps and Clinics

All UW System institutions reported offering events and programs that meet our definition of camps and clinics. UW System institutions reported more than 750 camps and clinics, and more than 50,000 individuals attended these camps and clinics in calendar year 2008.

The camps and clinics UW System institutions reported fall into either UW-sponsored or third-party camps and clinics. UW-sponsored camps and clinics are offered by entities affiliated with the UW or by UW employees acting in their capacity as employees of the UW, and are intended to serve aspects of the UW's educational mission. Third-party camps and clinics are held on UW property by entities not affiliated with the UW, or by individuals affiliated with the UW but acting independently of their UW affiliation. Most of the camps and clinics UW System institutions reported are UW-sponsored.

The UW-sponsored camps and clinics that UW institutions reported are very diverse. The most prevalent UW camps and clinics are sports activities, but UW institutions also offer many music, arts, and college preparation and exploration camps and clinics. Appendix 2 provides a summary of the characteristics of the 33 UW-sponsored camps and clinics in our sample. About half of these 33 UW-sponsored camps and clinics had been held for more than a decade. Of the remaining camps, three were held for the first time in 2008.

UW institutions offer both day and resident camps and clinics. Day or commuter camps and clinics do not provide lodging, are held for only a few hours a day, and do not typically provide food. In resident camps and clinics, both lodging and food are provided. Sixteen of the 33 UW-sponsored camps and clinics in our sample provide lodging and food for their camp participants.

The length of the UW-sponsored camps and clinics in our sample ranges from a few hours a day to six weeks. Although most of the selected camps and clinics are held on campus, some offer off-campus activities, and four are held exclusively off campus and on non-UW-owned property.

The camps and clinics in our sample target children as young as age five to adults. However, most of these camps and clinics serve middle to high school-age youths. In 2008, enrollment at each camp and clinic ranged from four to over 500.

UW-sponsored camps and clinics in our sample are supported by various sources of funds, including registration or camp fees, state General Purpose Revenue, grant funds, or a combination of these. Most of the UW camps and clinics are primarily supported by camp registration fees. The registration fees range from approximately $50 to over $550. Two camps in our sample, the High School Football Camp at UW-Madison and the Tennis Camp at UW-Whitewater, generate over $250,000 each annually. A number of UW camps and clinics, especially programs that target ethnic/racial minority and underrepresented student populations, are primarily supported by grants, and these camps are offered free of charge to eligible students. UW institutions receive grant funds from various sources, including the federal government, the Wisconsin Department of Public Instruction, UW System Administration, local school districts, corporations, and public and private foundations.

According to the camp and clinic directors we interviewed, UW institutions offer camps and clinics for a variety of purposes. The purposes common to many of the camps and clinics in our sample are to: 1) provide outreach to the community; 2) expose camp participants to college life or a particular field of interest; 3) teach specific skills; and 4) raise funds for the department, program, or sport.

Varied Inherent Dangers and Risk Exposure

All camps and clinics expose campers to a certain level of risk for illness and injury, and the UW System and UW institutions assume some risks when offering camps and clinics. The level of risk and the UW System's liability exposure from camps and clinics vary depending on a number of factors. However, certain categories of camps and clinics generally pose greater risks to the participants or pose greater potential liability for the UW. For instance:

- *High-Risk Activities*: Chapter DHS 175, Wis. Admin. Code, considers certain activities as high risk. High-risk activities involve firearms, archery, ropes or challenge courses, horseback riding, and rock climbing. One camp in our sample involves rock climbing, and a component of another camp involves a ropes course.

- *Off-Campus Activities*: Most UW-sponsored camp and clinic activities take place on campus. However, some activities are held off campus, and a few camps and clinics are held entirely off campus. Certain risks associated with facilities, transportation, lodging, food, and health care may be heightened when camps are held off campus.

- *Vulnerable Populations*: Most of the camps and clinics in our sample target older children and youths. However, a number of camps and clinics serve very young children, and one serves youths with disabilities. The participants' young age and/or disabilities may make them more vulnerable to injury.

- *Sponsorship*: Most of the camps and clinics UW institutions reported are sponsored by UW institutions. UW institutions are not required to insure the campers' safety or to completely eliminate the risks of injuries at these UW-sponsored camps and clinics. However, UW institutions have the duty to reasonably manage the activities and risks at these camps and clinics.

Because certain categories of camps and clinics generally carry greater risks and some camp activities do put participants at risk, efforts should be made to minimize the camp-specific and inherent risks. Assessing the risk level of a camp is a complicated process, as a combination of factors must be considered, including the plans and actions aimed at protecting the health and safety of camp and clinic participants.

PARTICIPANT HEALTH AND SAFETY AND RISK MITIGATION PRACTICES

Addressing participants' wellbeing encompasses a range of efforts and procedures for identifying dangers, reducing the risk of illness and injury, and responding to injuries and emergencies. We identified health and safety requirements for camps and clinics and reviewed UW institutions' policies, procedures, and practices aimed at protecting the health and safety of participants and protecting the UW System from potential liability in the case of participant injury. We found that UW institutions have adopted an array of measures to protect the health and safety of individuals participating in UW-sponsored camps and clinics and to mitigate potential liability.

Health and Safety Requirements

In Wisconsin, recreational and educational camps are regulated by the Wisconsin Department of Health Services (DHS). The regulations are codified in ch. DHS 175, Wis. Admin. Code. DHS 175 addresses a wide range of health and safety areas, including camp location, water supply, toilet and shower facilities, food preparation and service, safety and supervision, health care, lodging, and camp registers. Some of the health requirements, as specified in s. DHS 175.19, include:

- making written arrangements for medical care by a medical professional and for emergency admissions to a hospital;
- having qualified health staff on the premises of the camp at all times while the camp is in operation;
- keeping medications brought in by a camper or staff member under 18 years of age in clearly-labeled containers and in a locked unit, and having the medications administered by a health services staff or an adult camp leader;
- maintaining records of medication administered and treatment provided;
- having on hand first-aid supplies; and
- having procedures and space for the isolation of sick or injured campers and staff members.

DHS 175 also requires each camper under the age of 18 and each staff member to present a completed health history questionnaire.

The UW System does not have its own separate health and safety requirements for camps and clinics, but has adopted DHS requirements with approved variances. The UW System Office of Safety and Loss Prevention sought and obtained approval from DHS for variances to the health care and supervision requirements. The variances provide UW System institutions greater flexibility. For example, DHS 175 requirements for medications and health history questionnaires apply to campers and staff members under the age of 18. Under the variances, the requirements apply to only campers, and not staff members, and only to campers under the age of 14. Even with the variances, the core requirements for health and safety in DHS 175 remain intact.

UW Policies and Procedures Related to Health Practices

We reviewed UW institutions' policies and procedures related to certain health practices, including consent for medical treatment and waiver, participant health history, arrangements for health care, medication administration and safekeeping, and procedures for injury and health emergency response.

Consent for Medical Treatment and Waiver

Consent for medical treatment and waiver or release of liability are common participatory-type forms used in sports and recreation programs, including camps and clinics. The consent form informs parents of the inherent risks of the camp and clinic, and secures advance authorization for the camp and clinic operators to obtain or provide medical treatment in case of illness or injury. The waiver or release of liability is an agreement by the parents or legal guardians to hold harmless the UW institution and the camp and clinic operators from any and all liability, loss, and damages which arise out of actions of their dependents in the course of the camp. While the effectiveness of waiver varies from situation to situation, having them appears to be the common practice. The UW System Office of Safety and Loss Prevention provides a sample form and language for UW institutions to use.

We found that UW institutions employ a number of ways to obtain consent for medical treatment and waiver. Some institutions have adopted the form provided by the UW System Office of Safety and Loss Prevention. Others include the waiver statement in their camp registration forms. We noted that while some camps and clinics use only one form for both the consent for medical treatment and waiver and require the parents to sign in only one place, other camps and clinics use separate forms, or have the parents sign in two separate places.

Some institutional camp and clinic policies and procedures state, and camp directors we interviewed reported, that parents or guardians must sign these forms along with the health history questionnaire prior to their dependents being allowed to participate in camp activity.

Participant Health History

Requiring health history forms enables the camp staff to know the medical needs of campers and to develop a management plan to deal with these needs before the campers arrive. All but two of

the 33 UW-sponsored camps and clinics in our sample reported requiring participants to turn in a completed health history questionnaire before they are allowed to participate in camp and clinic activities.

Most UW institutions have adopted the questionnaire developed by the UW System Office of Safety and Loss Prevention. The health questionnaires we reviewed ask for existing medical conditions, medications, health insurance information, and parents' contact information. We did not verify that a completed health history questionnaire was turned in for all campers, but one institutional risk manager reported that her review of some institutional camps found that some health history questionnaire forms which are used to obtain the parents' consent for medical treatment are not signed by the parents or guardians. Camp and clinic operators should ensure the forms are signed.

Arrangements for Health Care

Twenty-four of the 33 UW-sponsored camps and clinics in our sample have made specific arrangements for the health care of camp participants by qualified health staff. Care for participants at athletic camps and clinics is provided primarily through certified athletic trainers, either in-house or contracted. Care for participants at non-athletic camps and clinics is provided through one of three ways: (1) a contract with university health services; (2) a contract with a private nurse; or (3) health care provided by camp staff who have obtained certifications in First Aid, Cardiopulmonary Resuscitation (CPR), Lifeguard, or equivalent training. Some camps, like Brain Blaster at UW-Eau Claire, Hoofer Youth Sailing at UW-Madison, and swimming at UW-Parkside, require that certain camp staff obtain the necessary certifications. DHS 175 considers individuals with certifications in First Aid, CPR, or an equivalent as qualified health staff.

Our sample of camps and clinics includes camps that are held in three off-campus, but UW-owned, facilities. Two of these facilities have a policy requiring health care be provided on site. UW-Extension's Upham Woods Outdoor Learning Center, which is open to the public, requires groups using the center to have a First Aid Coordinator with valid certifications in appropriate health care areas. UW-Stevens Point's Central Wisconsin Environmental Station, which hosts a number of UW-Stevens Point's outdoor camps, employs a health care counselor and provides financial incentives for camp counselors to seek First Aid, CPR, or Lifeguard certifications.

According to the camp directors we interviewed, the health care staff are on site or on the premises throughout the camp. Some camps actually require that their health staff stay at the same lodging facilities that house the camp participants and accompany the participants when they are taken off campus.

Most UW-sponsored camps and clinics, including some commuter or day camps, have made arrangements for health care. However, we noted that three UW resident camps and clinics, which would fall under the camp definition in DHS 175, do not. Based on our interviews with camp directors and risk managers, we attribute this deviation to the directors' lack of awareness of DHS 175 and its requirements.

Medication Administration and Safekeeping

Medication safekeeping and proper administration are essential health and safety measures for resident camps and clinics, as the potential for misuse and improper administration increases in a camp environment. We found the greatest variability in this area among UW-sponsored camps and clinics in our sample that meet the definition of camp in DHS 175 and which would be subject to DHS 175 requirements. Even though UW System institutions ask for medication information on the health history questionnaire, only some UW-sponsored camps and clinics reported making arrangements to collect the medications and to keep them in a safe location. The common practice has been to allow the campers to keep and administer their own medications. Again, it was apparent that some camp directors were not aware of the requirements in DHS 175 or the risk involved.

Procedures for Injury and Emergency Response

Establishing procedures for responding to injuries and emergencies is important to ensure swift, consistent, and appropriate responses. The camp and clinic directors we interviewed reported having some type of procedures for responding to injuries and emergencies. While the specific procedures vary among camps and clinics, the procedures have some commonalities.

For non-life threatening injury or illness, the trainer or health care staff serves as the first responder. Among camps that do not make arrangements for health care, the camp directors and camp counselors serve as the first line of contact. For more serious injuries, the first responder makes the determination for treatment. If the injured camper needs to be referred to a hospital or health care facility and if an ambulance is not needed, the trainer, health care staff, or camp staff will transport or accompany the camper to the hospital or health care facility. The parents or guardians are then notified. The common procedure for responding to a life-threatening situation or an emergency is to call university police or 911.

In addition to having procedures, we noted that camp directors have taken some steps that enhance their ability to respond to injuries and emergencies, including:

- having first aid kits on site or on the premises;
- making the health history questionnaires available and easily accessible to trainers, health care staff, camp directors, and camp counselors at all times; and
- making arrangements for a vehicle to transport an injured or sick camper to the hospital or health care facility.

DHS 175 requires having first aid supplies on hand and having a vehicle available at all times to transport a camper to a hospital or clinic.

UW Practices and Procedures Related to Safety

We reviewed UW practices and procedures related to safety, including background checks, supervision, lodging and food safety, transportation, and facility and equipment maintenance.

Criminal Background Checks

Board of Regents (BOR) policy and various federal and state laws mandate criminal background checks for certain positions. Regents Policy Document (RPD) 20-19, which was adopted in December 2006, allows UW institutions to determine some employee and non-employee groups that may be subject to the criminal background check policy.

Based on our interviews of camp directors, all but three of the 33 UW-sponsored camps and clinics in our sample have conducted criminal background checks of paid camp and clinic staff. One camp will implement a criminal background check for the first time in 2009. The director of another camp indicated that staff will work with the department head and human resource office for immediate implementation if criminal background checks are required. The staff at the third camp work as independent contractors. According to this institution's criminal background check policy, vendors and contractors are not subject to a criminal background check. All camps that reported having implemented a criminal background check require a check on all new hires.

According to the camp directors we interviewed, 24 of the 33 UW-sponsored camps and clinics in our sample reported using volunteers in their camps and clinics. Among these 24 camps and clinics that use volunteers, 15 require a criminal background check of the volunteers.

Supervision

Adequate supervision of participants is one way to minimize the risk of injuries that can occur during organized camp activities, as well as during free time. We found that UW institutions have employed a number of methods to ensure proper supervision of individuals participating in UW-sponsored camps and clinics:

- *Maintaining Low Camp-Staff-to-Camper Ratio*: DHS 175 requires one staff person per every ten campers under the age of 18. The UW System Office of Safety and Loss Prevention obtained a DHS-approved variance of one staff person per 24 campers under age 18 during non-instructional periods. The staff-to-camper ratios reported by directors of camps and clinics we interviewed are lower than or equal to both the DHS 175 requirement and the UW System Office of Safety and Loss Prevention's variance.

- *Maintaining Camp Registers*: UW camp staff reported that they have camp participants sign the camp register each time when leaving and reentering the camp group or facility, as a way to monitor the whereabouts of camp participants.

- *Separating Sleeping Quarters*: UW camp staff indicate that they provide separate sleeping quarters for each gender, and also supervise them with counselors of the same gender.

- *Accompanying Campers*: UW camp staff indicate that they rarely allow camp participants to leave the camp facility, except for organized camp activities. They reported that when campers receive approval to temporarily leave camp facilities or the group, a camp staff member normally accompanies the campers.

- *Arranging for Early Drop-Offs and Late Pick-Ups*: UW camp directors we interviewed indicate that they assign at least one staff member to be on location before the scheduled drop-off time. The camp director or one staff member also stays until all the campers are picked up by their parents or guardians.

- *Implementing Behavioral Contracts*: A number of camps also institute a behavioral contract whereby the campers agree to abide by certain established rules and conducts.

Maintaining camp registers and separating sleeping quarters are required by DHS 175. The other practices UW camps and clinics in our sample employ are in addition to these minimum requirements.

Lodging and Food Safety

Sixteen of the 33 UW-sponsored camps and clinics in our sample provide lodging and food for their camp participants. Except when the participants are off campus, all but one of these camps use UW housing as sleeping quarters, and all but one use university dining services. While there are risks inherent in providing housing, such as fire and unauthorized access, and in providing dining, such as contamination resulting from food processing, storing, and preparation, the risks are not unique and isolated to camps and clinics. Thus, we focused our review of lodging and food safety on the few UW-sponsored resident camps and clinics having an off-campus component.

Thirteen of the 33 camps in our sample have activities that involve taking the campers off the camp premises. Most of these trips are daytime trips. Only four camps and clinics involve overnight stays off campus. Three of these camps have the participants sleep in camping tents, and one camp houses the participants in other schools' housing facilities. In two of the three camps that engage in outdoor tent camping, the camp staff prepare the food on site for the campers, and one of the two camps have a staff member who is certified in food handling. While food handling certification is not required under DHS 175, the rule does require proper food handling.

Transportation

As mentioned above, 13 of the 33 UW-sponsored camps and clinics in our sample have camp activities that involve taking the campers off camp premises. A number of these camps also pick up and drop off the participants before and after camps. In all instances where travel was involved, the two most common means of transportation are chartered bus and university-owned vehicles, mainly seven-passenger vans. While some campers may drive themselves to the camps, only one camp allows the campers to drive themselves in their own vehicles once camp has started.

UW camp directors we interviewed reported that individuals who must drive university-owned vehicles are required to go through a driver safety check. At most UW institutions, the driver safety check is performed by university police or the university risk management office.

Facility and Equipment Maintenance

Most of the activities of UW-sponsored camps and clinics in our sample take place in UW-owned facilities. The camps and clinics typically reimburse the university for the use of these facilities. In these instances, the respective UW departments have responsibility for maintaining the facilities and equipment.

DHS requires that camps that meet the definition of "camp" in s. DHS 175.03(5), Wis. Admin. Code, obtain an annual permit before the camp is opened to the public. The permit process may involve inspection by DHS or its agents. A number of UW institutions – UW-Green Bay, Madison, Parkside, Platteville, Stevens Point, and Whitewater – reported, and DHS confirmed, that some of their camps and clinics had obtained the required permits. Staff at several of these campuses indicated that DHS had inspected their camp facilities and no significant non-compliance issues were identified.

UW Camp and Clinic Insurance Practices

Even though the practices and procedures related to health and safety discussed above also protect the UW System from potential liability, especially consent for medical treatment and waiver, one direct and effective method of mitigating risk in camps and clinics is insurance. We reviewed UW System institutions' practices related to insurance.

Camp insurance generally falls into two types: accident insurance and general liability insurance. Accident insurance provides limited coverage for accidents that occur while participating in camp activities. UW System Office of Safety and Loss Prevention offers camp and clinic accident insurance to UW institutions, but this insurance is optional. The current coverage limit is $1,000 per participant for medical expenses. The maximum total medical payments that can be made to a camp participant is $5,000. The premium varies depending on the length of the camp, but ranges from $0.37 per participant per day to $2.08 per participant for a camp that is held for three days or more. We found that despite its reasonable rates, only a few UW institutions, including UW-Madison, Platteville, and Whitewater, have mandated that all camps and clinics purchase this insurance. A number of UW staff we interviewed indicated that they did not purchase the insurance because the premium would have resulted in an increase in the camp registration fee and because they were not sure whether the insurance premium is a billable cost on their grants.

We further examined whether UW institutions that chose not to purchase accident insurance required evidence of participant health coverage, as this may suffice in the case of injuries. While the health questionnaire asks for health insurance information, no UW institutions require evidence of health insurance as a condition for camp participation.

General liability insurance in camps and clinics is important in situations where non-UW-affiliated organizations hold their camps on UW property. General liability insurance provides some protection to the UW institutions and the UW System against claims resulting from these non-UW-sponsored camps and clinics. Even though this review focused on UW-sponsored camps and clinics, we reviewed the liability insurance requirements at six UW institutions –

UW-Green Bay, Oshkosh, Parkside, Platteville, River Falls, and Whitewater – which reported a high number of third-party camps.

The UW System Risk Management Policy and Procedure Manual requires third-party organizations hosting their camps and clinics in UW facilities to provide evidence of general liability insurance coverage and to add the UW System Board of Regents, its officers, employees, and agents as additional insured parties under the policy. We reviewed a sample or an actual agreement from each of the six UW institutions. Based on the agreements we reviewed, five institutions require the third-party organizations to carry a certain level of general liability insurance coverage and to hold the Board of Regents harmless from any and all claims. One actual agreement we reviewed at one UW institution does not include a requirement for liability insurance. However, the camp operator does carry liability insurance.

In addition to general liability insurance, another type of insurance that provides some protection to the UW institutions and UW System against claims resulting from non-UW-sponsored camps and clinics is worker's compensation insurance. Generally, workers compensation insurance pays benefits to camp workers injured on the job, to cover medical care, part of lost wages, and permanent disability. None of the sample or actual agreements we reviewed at the six institutions that reported a high number of third-party camps requires evidence of worker's compensation insurance. The UW System Risk Management Policy and Procedure Manual requires third-party organizations hosting their camps and clinics on UW property to carry worker's compensation insurance and to provide a certificate of such insurance coverage.

Injuries and Insurance Claims

An indicator of camp safety is the number of injuries reported and claims against the sponsoring organization. We reviewed injuries resulting from participation in UW-sponsored camps and clinics.

All UW institutions reported having implemented some type of process for reporting injuries. However, the types of injuries that require reporting vary widely from camp to camp and from institution to institution. At some UW institutions, only injuries that might result in medical claims are reported. At other UW institutions, any behavioral incidents are also reported. As an alternative to reviewing the number of reported injuries, we reviewed claims against the UW camp and clinic insurance carrier. Table 1 summarizes the number and amounts of claims during the last five years.

Table 1: Number and Amounts of UW Camp and Clinic Insurance Claims

Calendar Year	Number of Claims	Total Amount Paid	Average Amount Paid per Claim
2008	11	$9,174	$834
2007	13	$15,331	$1,179
2006	23	$21,347	$928
2005	55	$12,655	$230
2004	52	$12,171	$234

Source: Chubb Group of Insurance Companies

As the table shows, the number of claims is relatively small when compared to the many thousands of campers participating in UW-sponsored camps and clinics each year. For instance, in calendar year 2008 alone, UW institutions purchased camp and clinic accident insurance for 332 camps, and over 28,500 individuals attended these camps. While the small number of claims and the decrease in the number of claims during the last five years may look comforting, injury is an inherent risk in camps and clinics, and is unpredictable.

Based on our assessment of UW practices and procedures aimed at protecting the health and safety of camp participants and protecting the UW System from potential liability in the case of participant injury, we concluded that UW institutions have made significant efforts to protect the health and safety of camp participants and to mitigate the UW System's exposure to potential liability. However, we have noted a number of areas where UW institutions' efforts could be enhanced.

Even though state requirements for camps apply exclusively to resident camps, some of the health and safety measures specified in DHS 175 are just as essential for day and commuter camps since certain risks are inherent in all camps and clinics. ***To enhance the health and safety of UW camp participants, we recommend that UW institutions, if they have not done so: 1) adopt and implement the health requirements for camps in s. DHS 175.19, Wis. Admin. Code, regardless of whether or not the UW-sponsored camps and clinics meet the definition of camp in DHS 17; and 2) extend criminal background checks to contractors and volunteers working directly with vulnerable populations, such as children and people with disabilities.***

Adopting the health requirements in s. DHS 175.19, Wis. Admin. Code, will ensure that all UW-sponsored camps and clinics make specific arrangements for health care by qualified health staff, obtain a properly-signed participant health history on all camp participants, and secure medications that campers bring to camps. Furthermore, it will ensure some consistencies across campus and across the UW System. Extending the criminal background check to contractors and volunteers, especially those working directly with vulnerable populations, such as children and people with disabilities, will further enhance the current health and safety efforts.

Despite the concern some UW camp directors had about the impact of an accident insurance premium on camp fees, we conclude that the financial impact is nominal. During the last five years, the camp and clinic insurance agency paid over $70,000 in claims. Without the camp and clinic accident insurance, the UW System may have been liable for some of the costs, not to mention the potential effect on the UW System's reputation.

While the number of claims and payment amounts have been relatively small in recent years, UW institutions reported major injuries and even deaths at UW-sponsored camps and clinics in the past. Because injury at camps and clinics is a persistent risk, is unpredictable, and can never be eliminated, UW institutions should be vigilant in ensuring the safety of camp and clinic participants. In addition, UW institutions should take necessary steps to protect the UW System from potential liability in the case of injury or death. Accident insurance is an effective method of protecting the UW System against persistent risk. Furthermore, according to insurance companies and risk management experts, "the risk of litigation increases when customers are unsatisfied" and the reason some parents did not sue the camp operators is because "medical bills

and out-of-pocket expenses for a child's injury were taken care of by the camp, or by the insurance, or because the camp director went out of their way to help."[4] ***Thus, we recommend that UW System make the camp and clinic accident insurance mandatory for all UW-sponsored camps and clinics.***

In addition to providing some protections against claims for injury losses, making camp and clinic accident insurance mandatory will enable UW risk managers, planners, and administrators to have a more complete knowledge of the number and type of camps and clinics UW System institutions offer when risk management strategies are being developed.

CAMP AND CLINIC ADMINISTRATION AND MANAGEMENT

Neither DHS nor the National Collegiate Athletic Association, which regulate aspects of camps and clinics, provides guidance on how camps and clinics should be administered and managed. We expected that administration and management of camps and clinics would vary widely because of different institutional structures and philosophies. To explore this theory, we reviewed how UW institutions administer camps and clinics and manage camp and clinic finance and private information.

Program Administration

We examined various aspects of camp and clinic administration, including camp planning and approval, sponsorship of athletic camps, camp administration and coordination, and oversight.

Camp Planning and Approval

According to the camp directors we interviewed, UW-sponsored camps and clinics get started based on interest, demand, and perceived needs. The camp budget appears to be the major, if not the central, piece in camp planning. The camp budget takes into consideration projected costs for the instructors and staff, facility-and-equipment use fees, food, lodging, travel, publications, insurance, and supplies. The budget is developed primarily by the camp director. Since a budget includes staff compensation, the director also consults with department administration and human resources to ensure that appropriate financial and personnel policies are followed.

We found that camps sponsored by athletics departments represent the only group of UW-sponsored camps and clinics that receive formal approval from their department head or designee. Some institutional policies and procedures specifically require athletic director or athletic department approval. The approval is primarily to satisfy NCAA compliance. Camps and clinics sponsored by other departments require no formal approval from the department head or the campus administration, although camp directors indicated that department heads know about these camps.

[4] Schirick, Ed. "Blanket Accident and Sickness Insurance: Keeping Perspective." *Camping Magazine*, May 1, 2004.

UW institutions' practices related to camp approval are consistent with those of some other university systems in our research. However, we found that the Texas A&M University System requires annual approval by the respective department heads or designees and by the Director of Student Activities of all camps, clinics, and events. As part of this annual approval process, the sponsoring departments must complete a risk assessment form for each camp they offer. The purpose of this tool is to ensure that the sponsoring departments have specific plans and concrete action steps in place to address all health and safety risks and requirements before the camps are held. Our research also indicated that other universities have used a risk assessment tool.

Athletic Camps Sponsorship

As pointed out above, most of the camps and clinics offered by UW institutions are UW-sponsored, and UW institutions assume responsibility for these camps. The one group of camps where UW sponsorship varies is athletic camps. Athletic camps represent the single largest group of camps and clinics reported by UW institutions. We found that UW institutions administer athletic camps either as UW-sponsored or third-party camps, which we defined as camps held on UW property by entities not affiliated with the UW, or by individuals affiliated with the UW but acting independently of their UW affiliation.

All but one UW institution administer athletic camps as UW-sponsored camps. At UW-Green Bay, athletic coaches can choose to operate their camps independently of their UW affiliation, and UW-Green Bay considers these camps third-party camps. The coaches who choose to operate their camps as third-party camps, as part of the agreement, pay UW-Green Bay for the use of facilities and services, bear full responsibility for their camps, and must provide a certificate of insurance. Most of the athletic camps at UW-Green Bay are administered as third-party camps.

Camp Administration and Coordination

Based on our analysis of the 33 UW-sponsored camps and clinics in our sample, the UW departments or units that sponsor the camps and clinics have almost exclusive responsibility for the administration of their camps and clinics at all but two UW System institutions. These administrative responsibilities include advertising, registration, payment collection, health and safety, staff hiring, staff and camp participant supervision, and logistics. UW-Green Bay and UW-Whitewater have made efforts to centralize camp and clinic administration. At these two institutions, some university departments pay the Division of Outreach and Adult Access (at UW-Green Bay) and Continuing Education Services (at UW-Whitewater) a fee to handle most of the administrative responsibilities for their camps and clinics. This arrangement enables the sponsoring departments to focus their full attention on providing the instruction.

While much of the administrative responsibility falls on the UW departments or units that sponsor the camps and the UW units contracted to perform camp administrative duties, other university units do provide some essential support and coordination. These units include accounting and financial services, dining services, housing services, campus police, human resources, and risk management.

We also examined risk management's roles and responsibilities for camps and clinics. The risk managers we interviewed reported having some general and specific responsibilities for camps and clinics. The extent of their responsibilities varies significantly. While a few risk managers are involved in developing and promoting camp policies and procedures, most of the risk managers we interviewed indicated they have limited involvement in camps and clinics beyond processing accident insurance premiums and reviewing injury claims.

We also found that Continuing Education Services or an office that handles conferences and reservations at a number of UW institutions, including UW-Green Bay, River Falls, Stevens Point, and Whitewater, have played a more significant role in ensuring compliance with state requirements. For instance, the camp permit or license required by DHS 175 is under some of the units' names. Some communications to the campus communities about camps and clinics have come from these units.

However, at some institutions, the risk manager and the camp directors we interviewed are not sure which campus unit has the overall responsibility for camps and clinics. Some camp directors we interviewed also expressed frustration about having difficulty determining who on campus to contact with questions about camp administration.

Monitoring and Oversight

Monitoring and oversight of camps and clinics entails ensuring that camps and clinics follow federal and state requirements and UW System and institutional policies and procedures. We found some oversight is provided by DHS or local health services departments. Although we found some oversight by UW institutions, we found little systematic institutional oversight. This may be due to the confusion over which campus unit has the overall responsibility for camps and clinics. However, we did find efforts at some individual institutions. For example:

- Some accounting staff we interviewed reported that they check all camp expenses to ensure that the expenses were congruent with the camp budgets.
- Some camp directors reported that they perform checks of health history questionnaires to make sure all campers turn in a properly-signed health and history questionnaire.
- One risk manager who also functions as the institutional purchasing director reported having specifically included some camp expenditures made with purchasing cards as part of the institution's purchasing card review.
- One risk manager reported having conducted a review on the use of health history questionnaires by some camps.

While UW institutions can generate significant revenues through camps and clinics, it is important to ensure that: 1) camps and clinics offered are congruent with the UW's educational mission, 2) risks associated with these camps are identified and addressed, and 3) camps and clinics are administered in accordance with applicable federal and state laws and UW System policies. Based on our assessment of the various aspects of administration we reviewed, we identified areas where some enhancements would be beneficial. ***We recommend that UW System institutions, if they have not already done so:***

- ***assign an office or a committee on campus the overall responsibility for developing camp and clinic policies and procedures and for ensuring compliance by camps and clinics with those policies and procedures.*** Having a campus unit with this overall responsibility for camps and clinics will ensure that state and UW System requirements and policies are communicated to the entire campus community, and will enable UW institutions to promote more consistent practices across the campus. We do not envision creating a new unit for camps and clinics with this recommendation, but simply a formal designation of a point of responsibility at each UW institution. This unit would have the overall responsibility for developing camp and clinic policies and procedures and providing some oversight of the implementation of those policies and procedures. The unit can be appointed from any of the various university offices currently involved in camp and clinic administration.

- ***implement a departmental approval process for certain camps and clinics.*** At a minimum, camps and clinics that should receive department approval before they are held include newly established camps, camps that have had a serious injury or a life-threatening incident, and camps that have undergone significant operational and programmatic changes. As part of the approval, these camps should complete a risk assessment of the various health and safety areas. Requiring department or division head approval for these camps is a way to ensure that the camps are congruent with the mission and goals of the department or division and to ensure that department staff have plans to address all health and safety issues.

- ***follow the annual permit requirements in DHS 175 if a camp or clinic meets the definition of "camp" in DHS 175.*** Obtaining a permit is not only required by state law, but the permit process may add additional oversight of the specific camps.

Financial and Private Information Management

Having sound financial practices ensures the viability of UW camps and clinics. Also, proper safeguards of private information required by federal and state laws, and improper disclosure of this information can tarnish the reputation of the UW System. We examined in general how UW institutions account for camp and clinic revenues and process camp expenses and refunds. We also examined steps taken by UW System institutions to protect private information.

Fee Handling and Reconciliation

In the sample of camps and clinics that assess a camp fee or deposit, the most common method of payment is by check. Many camps also allow payment by credit card. Cash payments are very rare and occur almost exclusively when the camp participants still have a remaining balance on the first day of camp.

Most of the departments that sponsor camps and clinics process the camp fee receipts for their own camps. Some sponsoring departments or camp directors have made arrangements with another campus unit to process the receipts. We found these arrangements at UW-Green Bay, La Crosse, Madison, Milwaukee, and Whitewater. Most of the camps and clinics issue receipts for payments, but some do not.

After recording the payments, which is normally completed within several business days after the payments are received, the sponsoring departments or contracted camp administrative units give the received funds to the university business office to be deposited. Until the funds are turned in to their business office, the funds are reportedly kept in locked drawers. According to camp directors and financial staff we interviewed, only selected individuals, mainly the accounting staff, have access to the locked drawers. Reconciliation of fees received and the number of campers attending the camps is performed primarily by the accounting staff in the sponsoring departments or in the contracted camp administrative units, as these units would also likely have responsibilities for camp registration.

Revenues and Expenditures Accounting

We found that accounting for camp and clinic revenues and expenditures is maintained by the respective sponsoring departments or the contracted camp administrative units. While the contracted administrative units keep isolated accounts of individual camps, not all sponsoring departments do so. Sponsoring departments or sports that offer multiple camps and clinics tend to maintain a single account for all their camps. Appendix 3 summarizes the revenues and expenditures for the UW-sponsored camps and clinics in our sample for which information is available. Some institutions do not record revenues and expenditures for each camp and clinic in a separate account.

We reviewed expenditures for some of the UW-sponsored camps and clinics in our sample. Most expenditures for these camps and clinics were spent for staff compensation and supplies and other expenses, including lodging, food, facility-and-equipment-use fees, and brochures. The camp directors we interviewed indicated, and UW financial reports show, that camp staff who receive compensation from camp revenues are paid through UW payroll as either UW employees, limited term employees, or student employees, or are paid through the Payment to Individual Report (PIR) as consultants or contractors.

We also examined how camp expense payments and refunds are processed. We found that in most instances, the university departments that sponsored the camps prepare the required paper work for expense payments and refunds, but the expense payment or refund checks are actually generated by their business offices. The camp directors and, in some cases, the department directors must approve the expenses. As noted, some accounting staff indicated that they review the expenses to ensure congruency with the camp budgets.

The directors of some camps and clinics in our sample reported using university-issued purchasing cards for some purchases. Only one camp in our sample reported using cash. This camp does not provide lunch on site and expects campers to bring their own lunches. The camp staff is given a fixed amount of cash per each camper to accompany the campers and to pay for their groceries. According to the camp director and accounting staff, cash journals are kept of all receipts and expenses.

The camp directors we interviewed also indicated they are expected to operate their camps, especially those that are supported primarily by a camp registration fee, as self-supporting activities. In order to truly be self-supporting, camp revenues must cover expenses or the camps

should maintain a reasonable cash balance. We reviewed the cash balance of some of the selected camps for which accounting is kept isolated. All the camps we reviewed carry positive cash balances.

Safeguarding Private Information

The two types of private information we found that are subject to federal and state privacy laws, and which are commonly collected in UW-sponsored camps and clinics, are health information and credit card numbers. A few camps in our sample also collect social security numbers, but most do not.

UW institutions protect camp participant health information by limiting access to certain authorized individuals. The authorized individuals normally include the health staff, the camp directors, and certain designated camp counselors.

As mentioned above, some of the camps and clinics in our sample that assess a registration fee allow payment of the fee by credit card. People can provide the credit card number on the registration form or by telephone. Staff protect the credit card numbers by authorizing only a few individual staff to process credit card payments. In those instances where the credit card numbers are provided on the registration forms, the staff blacken out the credit card numbers on the registration forms immediately following the successful completion of payment processing, make a copy of the registration form, and shred the original registration forms.

Even though we did not specifically test management controls, our interviews of camp directors and accounting staff who handle camp accounts reveal the existence of some proper safeguards. These safeguards include separation of duties, securing funds and private information, and limiting access.

CONCLUSION

The review found that all UW institutions offer camps and clinics. The camps and clinics are very diverse in purpose, participants, and length.

Based on the sample of camps and clinics we reviewed, UW institutions have adopted an array of policies, procedures, and practices to protect the health and safety of camp participants and to protect the UW System from potential liability. However, some critical measures vary within the camps. To enhance the health and safety of UW camp participants, we have recommended that UW institutions, if they have not already done so: 1) adopt and implement the health requirements for camps in s. DHS 175.19, Wis. Admin. Code, regardless of whether or not the UW-sponsored camps and clinics meet the definition of "camp" in DHS 175; and 2) extend criminal background checks to contractors and volunteers working directly with vulnerable populations, such as children and people with disabilities.

The UW System has offered camp and clinic accident insurance to UW institutions, but few UW institutions have mandated that all their camps and clinics purchase this insurance. Even though

the number of insurance claims has been relatively small when compared to the number of people participating in UW-sponsored camps and clinics each year, injury at camps and clinics is a persistent risk. To better protect the UW System and UW institutions from potential liability in the case of injury, we have recommended that UW System make the camp and clinic accident insurance mandatory for all UW-sponsored camps and clinics.

The UW-sponsored camps and clinics are administered and managed primarily by the respective sponsoring departments. Some sponsoring departments do make arrangements with other campus units for aspects of camp administration and management. To enhance the administration and management of UW-sponsored camps and clinics, we have recommended that UW institutions, if they have not already done so, assign an office or a committee on campus the overall responsibility for developing camp and clinic policies and procedures and for ensuring compliance by camps and clinics with those policies and procedures; implement a departmental approval process for certain camps and clinics; and follow the annual permit requirements in DHS 175 if a camp meets the definition of "camp" in DHS 175.

Appendix 1

Definitions

Chapter DHS 175, Wis. Admin. Code

"Camp" means a premises, including temporary and permanent structures, that is operated as an overnight living quarters where both food and lodging or facilities for food and lodging are provided for children or adults or both children and adults for a planned program of recreation or education, and that is offered free of charge or for payment of a fee by a person or by the state or a local unit of government. "Camp" does not include any of the following:

(a) An overnight planned program of recreation or education for adults or families at an establishment holding a current hotel or motel or restaurant permit.
(b) An overnight planned program of recreation or education for less than 4 consecutive nights and without permanent facilities for food and lodging.
(c) An overnight planned program for credit at an accredited academic institution of higher education.
(d) A tournament, competition, visitation, recruitment, campus conference or professional sports team training camp.

The National Collegiate Athletic Association, Division I Manual

13.12.1.1 Definition. An institution's sports camp or instructional clinic shall be any camp or clinic that is owned or operated by a member institution or an employee of the member institution's athletics department, either on or off its campus, and in which prospective student-athletes participate. *(Adopted: 1/11/89; Revised: 1/10/90, 4/26/01 effective 8/1/01)*

13.12.1.1.1 Purposes of Camps or Clinics. An institution's sports camp or clinic shall be one that:
(a) Places special emphasis on a particular sport or sports and provides specialized instruction or practice and may include competition; *(Revised: 5/9/06)*
(b) Involves activities designed to improve overall skills and general knowledge in the sport; or
(c) Offers a diversified experience without emphasis on instruction, practice or competition in any particular sport. *(Adopted: 1/11/89; Revised: 1/10/90)*

Office of Operations Review and Audit

"Camp or clinic" means a planned recreational or instructional program that is offered to children or adults for the purposes of improving their knowledge or skills, and that offers experience in, or exploration of, a particular interest. "Camp or clinic" does not include a program for professional development, education for college credit or continuing education credit, a tournament, a competition, a visitation, recruitment, or a professional sports team training camp.

APPENDIX 2

Summary Description of UW Camps and Clinics in Review Sample (Calendar Year 2008 Only)

UW INSTITUTION	CAMP	SPONSORING DEPARTMENT	YEAR CAMP WAS FIRST HELD	TYPE OF CAMP AND 2009 FEE	LOCATION	TARGET GROUP	NUMBER OF PARTICIPANTS	DURATION
Eau Claire	Brain Blaster	Continuing Education	2007, but the camp has been held as a part of the Summer Institute for over 30 years.	Commuter. $70 tuition plus $15 materials fees.	Off-campus (in two local school district facilities)	Grades 6 to 8	266	Three hours a day for eight days
	Youth Leadership Camp	Office of Multicultural Affairs	2001	Resident. No fee.	On-campus with off-campus day field trips and overnight camping	Grades 8 to 11	44	Two weeks
	Under 13 Girls Hockey Camp	Athletics	2007, but the camp was cancelled due to low enrollment.	Commuter. $170	Off-campus (in municipal ice arena)	Any girls under 13 years of age	7	Eight times for one hour each time
Green Bay	Girls Junior Elite Basketball Camp	Athletics	1999, but aspects of the camp was held prior to this date.	Commuter. $175	On-campus	Grades 8 to 10	77	Six hours a day for three days
	Middle School Music Camp	Outreach and Adult Access	1965	Resident and commuter. $569, resident; $249, commuter.	On-campus	Middle school students	194	One week
La Crosse	Public Archeology Field Experience	Mississippi Valley Archeology Center (Sociology and Archeology)	1978	Resident and commuter. $350, three days; $500, five days.	Mostly off-campus (various excavating sites)	One session targets fifth to ninth graders, and one session targets ninth to 12th graders	14	One session is three days; one session is five days
Madison	Hoofers Youth Program – Sailing	Recreation	1989	Commuter. Participants pay membership fee of $30 (for a six month membership) or $50 (for a one-year membership)	On-campus and off-campus (on Lake Mendota)	Three different levels targeting youth ages 10 to 18	94	Three hours a day for either four days or eight days
	Lisa Stone	Intercollegiate	2003	Commuter. $225	On-campus	Student entering	79	Three days

UW INSTITUTION	CAMP	SPONSORING DEPARTMENT	YEAR CAMP WAS FIRST HELD	TYPE OF CAMP AND 2009 FEE	LOCATION	TARGET GROUP	NUMBER OF PARTICIPANTS	DURATION
	Badger Camp	Athletics				grades 4 to 8		
	Engineering Summer Camp	College of Engineering	1977	Resident. No fee.	On-campus	High school students	24	Six weeks
	College for Kids	School of Education	1981	Commuter. $425	On-campus with off-campus trips	Students entering sixth grade	320	Half a day for three weeks
	Football Summer Camp	Intercollegiate Athletics	1980's	Resident (in private housing) and commuter. $325, resident; $255, commuter.	On-campus	High school students	589	Three days
Milwaukee	Day with Dad Basketball Camp	Athletics	2008	Commuter. $80	On-campus	Grades 3 to 8	8	One-day
	Mini-Courses Summer Exploration Camp	Trio and Pre-College Programs	2005. Aspects of the program existed before 2005.	Commuter. No fee.	On-campus	Grades 6 to 8	45	Two weeks
Oshkosh	Softball Pitching and Catching Clinic	Athletics	2005	Commuter. $40 (grades 1 to 8) and $60 (grades 9 to 12)	Off-campus (at local high schools)	Five different sessions targeting different age groups ranging from grades 1 to 12	223	Three hours
	Aspiring Pupils for Professional Leadership Education (APPLE)	Center for Academic Support and Diversity	2001	Resident. No fee.	On-campus with off-campus field trips	Grades 8 to 10	28	Two weeks
Parkside	Swimming Camp	Athletics	Early 1980's	Commuter. $80 per session.	Off-campus (at YMCA)	Ages 3 to 18	419	Each session is one hour for two weeks
	Successful Talented Able Resourceful Students (STARS)	Pre-College	1979	Commuter. No fee.	On-campus	Grades 6 to 12	72	Two weeks
Platteville	Pre-Veterinary Camp	School of Agriculture	2002	Resident. $250	Off-campus in UW-owned facility	Students entering 10^{th}, 11^{th}, and 12^{th} grade	15	Two days
	Men's and	Athletics	2008	Resident. $150	On-campus	Grades 8 to 12	70	Three days

UW INSTITUTION	CAMP	SPONSORING DEPARTMENT	YEAR CAMP WAS FIRST HELD	TYPE OF CAMP AND 2009 FEE	LOCATION	TARGET GROUP	NUMBER OF PARTICIPANTS	DURATION
	Women's Soccer Camp							
River Falls	Youth Individual Instruction – Volley Ball	Athletics	1993	Resident and commuter. $195	On-campus	Grades 5 to 9	136	Three days
Stevens Point	How to Play Music by Ear	Continuing Education	2001 but was cancelled for several years. Restarted in 2008.	Commuter. $79	On-campus	Ages 13 to adult	18	3.5 hours each day for two weeks
	Outdoor Skills	College of Natural Resources	2006	Resident. $325 (ages 10 to 12) and $355 (ages 13 to 15).	Off-campus on UW-owned facility	Two sessions – one targeting youth ages 10 to 12 and another one targeting youth ages 13 to 15	96 (for both sessions)	Each session runs five days
Stout	Summer Soccer Clinic	Athletics	1970's	Commuter. $10 per day.	On-campus	Ages 5 to high school age	49	Each of the four session runs 1.5 hours a day for five days
	Science Technology and Engineering Preview at UW-Stout for Girls (STEPS)	College of Technology, Engineering, and Mathematics	1997	Resident. $325	On-campus with off-campus field trip	Grades 6 to 7	160 (40 at a time)	Four sessions at one week each
	Pre-College Summer Program	Multi-Cultural Student Services	1980's	Resident. No fee.	On-campus with off-campus field trip	Grades 8 to 10	135	Five days
	Upward Bound	Upward Bound	2007	Commuter, except the one week off campus. No fee.	Five weeks on-campus and one-week off-campus	High school students	50	Six weeks. The five weeks on-campus are spread throughout the year.
Superior	Youth Climbing Camp	Campus Recreation	2008	Commuter with one overnight. $280	Both on- and off-campus	Ages 14 to 18	4 (cap enrollment at 10)	Five days
	Cyber Summer	Office of	Around 2000	Resident. No fee.	On-campus with	Junior high students	30 (cap enrollment	One week

UW INSTITUTION	CAMP	SPONSORING DEPARTMENT	YEAR CAMP WAS FIRST HELD	TYPE OF CAMP AND 2009 FEE	LOCATION	TARGET GROUP	NUMBER OF PARTICIPANTS	DURATION
	Camp	Multicultural Affairs			occasional off-campus field trips	from Milwaukee	at 30)	
Whitewater	Wheelchair Basketball Camp	Athletics and Recreation	1993	Both resident and commuter. $450, resident; $350, commuter.	On-campus	Ages 8 to 18	103	One week
	Tennis Camp	Athletics	Early 1970's	Resident. $320	On-campus and off-campus	Ages 12 to 17	551 (for all five sessions)	Five days per session
Colleges	College for Kids	UW-Fox Valley Continuing Education	1998	Commuter. $95	On-campus with trips off-campus (walking distance)	Grades 2 to 8	288	Three hours each day for 4 days.
Extension	4-H Arts Camp	Cooperative Extension	Around 1998 or 1999	Resident. $60	In UW-owned facility	Grades 6 to 8	97	Two days
	4-H Arts Beat	Cooperative Extension	2006	Resident. $40	In UW-owned facility	Grades 3 to 5	75	Two days

Sources: UW System institutions and UW System institution websites.

Appendix 3

Revenues and Expenditures for Selected UW-Sponsored Camps and Clinics
FY 2007 to FY 2008

CAMP	FY 2008		FY 2007	
	TOTAL REVENUES	TOTAL EXPENDITURES	TOTAL REVENUES	TOTAL EXPENDITURES
Brain Blaster (UW-Eau Claire) *	$23,575	$28,366	*	*
Under 13 Girls Hockey Camp (UW-Eau Claire)	$1,104	$1,200	Cancelled.	Cancelled.
Middle School Music Camp (UW-Green Bay)	$112,231	$112,182	Not available due to reporting changes.	$146,691
Girls Junior Elite Basketball Camp (UW-Green Bay)	$12,642	$3,370	$18,019	$5,339
Archeology Field Experience (UW-La Crosse)	$6,770	$854	$6,925	$656
High School Football Camp (UW-Madison)	$254,560	$262,520	$208,115	$225,870
Engineering Summer Program (UW-Madison)	**	$61,250	**	$70,542
Hoofer Youth Sailing (UW-Madison)	$78,123	$34,701	$69,600	$36,153
Mini-Courses Summer Exploration Camp (UW-Milwaukee)	$15,800	$17,472	$16,200	$11,348
Swimming (UW-Parkside)	$30,088	$25,183	$28,426	$23,874
Soccer Camp (UW-Platteville)	$7,994	$1,311	***	***
Pre-Veterinary Camp (UW-Platteville)	$8,875	$10,650	$7,875	$10,182
Individual Youth Instruction Volleyball Camp (UW-River Falls)	$24,065	$15,508	$11,725	$11,367
Science Technology and Engineering Preview at UW-Stout for Girls (STEPS) (UW-Stout)	$100,726	$100,726	$100,733	$100,733
Tennis Camp (UW-Whitewater)	$311,808	$281,801	$280,115	$222,729
Wheel Chair Basketball Camp (UW-Whitewater)	$45,030	$22,915	$29,410	$24,622
College for Kids (UW-Fox Valley)	$29,250	$26,018	$34,469	$30,874
4-H Arts Camp (UW-Extension)	$7,445	$5,827	$6,398	$6,360
4-H Art Beat Camp (UW-Extension)	$4,960	$4,507	$4,400	$3,440

Source: UW System institutions and WISDM.

* Brain Blaster was held as part of the Summer Institute prior to FY 2009, and the revenues and expenditures reported were for FY 2009.

** The School of Engineering received about $100,000 each year from multiple sources.

*** Camp started in 2008.

December 10, 2009 Agenda Item I.2.d.2.

OFFICE OF OPERATIONS REVIEW AND AUDIT
QUARTERLY STATUS UPDATE

BACKGROUND

This report is presented to the Board of Regents Business, Finance, and Audit Committee to provide: (1) a status report on the major projects the UW System Office of Operations Review and Audit is conducting, and (2) an update on Legislative Audit Bureau projects in the UW System.

REQUESTED ACTION

For information only.

MAJOR OFFICE OF OPERATIONS REVIEW AND AUDIT PROJECTS

(1) Energy Conservation identifies energy conservation practices at UW System institutions, good practices in energy conservation policy, and possible policy options for further consideration. A report is included with the committee materials for December.

(2) UW-Sponsored Camps and Clinics examines UW institutions' efforts to address participants' health and safety and to provide oversight of camps and clinics. A report is included with the committee materials for December.

(3) Student Evaluation of Instruction will provide information about how UW institutions implement student evaluation of instruction and the successes and challenges UW institutions have experienced in implementing Regent Policy Document 20-2, which addresses this topic. Review work has begun.

(4) Prior Learning Assessments will determine the frequency with which students currently receive credit for prior learning, institution staff roles and program oversight, prior learning assessment methods and management practices, and possible policy considerations. Review work has begun.

(5) Service Learning will review significant risks, potential liabilities, and mitigating actions involved in internships and other programs that integrate community service with academic study. Background research is being conducted.

(6) NCAA Division III Athletic Departments will include an analysis of Division III UW institutions' fiscal controls and compliance with state and NCAA regulations.

LEGISLATIVE AUDIT BUREAU PROJECTS

The Legislative Audit Bureau is working on: (1) the UW System's annual financial report, which will be completed in December 2009, and (2) the annual compliance audit of federal grants and expenditures, including student financial aid, for FY 2008-09, with a report due in spring 2010. The Audit Bureau is also conducting an evaluation of the use of funds provided to the UW-Madison School of Medicine and Public Health by the Wisconsin United for Health Foundation.

BUSINESS, FINANCE, AND AUDIT COMMITTEE

Resolution:

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents, in regards to the *Investment Policy Statement* for the University of Wisconsin System Trust Funds, approves the revisions provided in the attached document and otherwise affirms its adoption of the policy statement.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS INVESTMENT POLICY STATEMENT

EXECUTIVE SUMMARY

BACKGROUND

The current version of Regent Policy Document 31-9, the *Investment Policy Statement* ("IPS") for the UW System Trust Funds, was approved by the Board at its meeting of December 8, 2008. The preface of that document states the following under the section entitled *Review of the IPS*: "Given the centrality of the IPS itself in ensuring that the Board meets its fiduciary responsibilities and effectively oversees the management of the investment program, it is imperative that the Board review the IPS on an ongoing basis. Although long-range and strategic in nature**,** the IPS should nevertheless be considered a living document; revisions and further refinements may be required as and when goals, constraints, or external market conditions change significantly."

Two key elements of the IPS are the strategic asset allocation targets for both the Long Term and Intermediate Term Funds, and the spending policy for the Long Term Fund (the Fund used for endowments). Historically, separate asset allocation analyses and spending policy reviews for the Long Term Fund were presented to the Board annually. As these elements have now been incorporated into the IPS, an annual review of the IPS in its entirety will provide for the periodic review of asset allocations and spending policy.

REQUESTED ACTION

Approval of Resolution I.2.e.

DISCUSSION

Certainly some "external market conditions" and "constraints" have changed since the IPS was revisited at this time last year. The attached annotated version of the IPS highlights some fairly minor revisions to address evolving market conditions and concerns (these involve primarily topics such as liquidity, commodities, and derivatives). However, the major revisions are to Appendix 1, "Primary Fiduciary and Management Responsibilities of the Board," and specifically the section dealing with statutory provisions. The changes reflect the state of Wisconsin's recent enactment of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which replaces the Uniform Management of Institutional Funds Act (UMIFA).

RELATED REGENT POLICIES

Regent Policy Document 31-9: *Investment Policy Statement*
Regent Policy Document 31-13: *Investment and Social Responsibility*

UNIVERSITY OF WISCONSIN SYSTEM
TRUST FUNDS

INVESTMENT POLICY STATEMENT

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Investment Policy Statement

Preface

Introduction and Background. The invested Trust Funds of the University of Wisconsin System (UW Trust Funds) currently consist predominately of gifts from individuals via wills or other trusts, as well as outright gifts from living donors, corporations (including matching gift programs), and external foundations and trusts. Such bequests and gifts come to the Board of Regents of the University of Wisconsin System (the Board) whenever the donor and documentation name the beneficiary as either the Board of Regents, directly, or any UW System institution, without specifically identifying a UW-related foundation. (UW-related foundations are independent entities with separate governing boards.) These gifts or donations originate as either, 1) "true endowments," where the donor has restricted the use of "principal" and may or may not have imposed additional restrictions as to purpose (in accounting parlance, "restricted – nonexpendable" gifts), or 2) "quasi-endowments," where the donor has placed no restriction on use of principal and may or may not have imposed restrictions as to purpose (in accounting parlance, either "restricted – expendable" or fully "unrestricted" gifts).

The Board is the principal and ultimate fiduciary of the UW Trust Funds. A fiduciary is defined as someone who oversees and/or manages the assets of, or for the benefit of, another person and who stands in a special relationship of trust, confidence, and/or legal responsibility. A summary of the primary fiduciary and management responsibilities of the Board is provided in **Appendix 1.** As noted there, the Board has delegated to its Business, Finance, and Audit Committee (the Committee), many oversight and management functions. Specific roles and responsibilities of all relevant parties are discussed later.

Purposes. "The preparation and maintenance of the Investment Policy Statement (IPS) is one of the most critical functions of the investment steward. The IPS should be viewed as the business plan and the essential management tool for directing and communicating the activities of the [investment] portfolio. It is a formal, long-range, strategic plan that allows the steward to coordinate the management of the investment program in a logical and consistent framework. All material investment facts, assumptions, and opinions should be included."[1] Furthermore, the IPS should provide the guiding principles for all aspects of the management of entrusted assets, and the premises on which these principles rest.

Organization and Format. The IPS is organized into these five major sections:

- **Premises** – which discusses the underlying bases (primarily various objectives, assumptions, and beliefs) for the policies and their implementation
- **Investment Policies** – which describes specific policies adopted to attain identified objectives while conforming with the major premises
- **Implementation** – which describes by whom and how the policies are to be implemented
- **Evaluation –** which describes how success will be monitored and evaluated
- **Appendices** – which provide greater detail on various policy elements discussed at a broader level in the main body of the document

In general, the main body of the IPS is intended to provide higher level elements expected to change only infrequently. The appendices are intended to provide details or lower level elements, which may require more frequent revisions and refinements, due to changing economic and market conditions, the investment opportunity set, industry "best practices," etc. Incorporating these items into appendices will allow for them to be more clearly and easily revised.

[1] *Fiduciary360*, "Prudent Practices for Investment Stewards," p. 29.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Investment Policy Statement

Regarding format, the following conventions are used: the major section headings are designated by Roman numerals (e.g., **I.**); major sub-sections are designated by capital letters (e.g., **A.**); headings for specific topics within major sub-sections appear in **Boldface**; headings for subsidiary topics therein appear in ***Italicized Boldface***; headings for each topic therein (sub-sub-topic) appear in *Italics*; and headings for paragraphs therein, where helpful, appear in Regular Typeface. Finally, within the text, *italicized* words or sentences are used to add emphasis; quotation marks (other than for direct quotes) are used when introducing a term or phrase that, although perhaps common in the investment and endowment fields, may not be familiar to the general reader.

Review of the IPS. Given the centrality of the IPS itself in ensuring that the Board meets its fiduciary responsibilities and effectively oversees the management of the investment program, it is imperative that the Board review the IPS on an on-going basis. Although long-range and strategic in nature, the IPS should nevertheless be considered a living document; revisions and further refinements may be required as and when goals, constraints, or external market conditions change significantly.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Investment Policy Statement

I. Premises

A. Investment Objectives, Constraints, and Competencies

Creation of Distinct Investment Funds. Recognizing that assets invested with UW Trust Funds may have distinctly different investment time horizons, three separate investment pools (or funds) have been created. To accommodate endowed assets (where the "principal" is to be preserved into perpetuity) and other long-term investments, the "Long Term Fund" has been created. To accommodate fully expendable assets that may have a shorter or immediate investment time horizon, the "Intermediate Term Fund" and "Income Fund" have been created (collectively, the Funds). Each of these Funds are accounted for on a unitized basis, similar to a mutual fund, where investors buy and sell Fund units representing proportional shares of the Funds' underlying investments. The investment objectives and constraints for each of the Funds are inherently different and are therefore discussed separately below. There are, however, certain general constraints applicable to all Funds.

General Investment Constraints. Two potential investment constraints – tax considerations and external legal/regulatory requirements – are generally relevant to all UW Trust Fund assets. As a tax-exempt organization, the UW System's investment returns are not subject to taxation; therefore, tax considerations become essentially irrelevant in the investment decision-making process. However, given the UW's tax status, tax-exempt securities (e.g., municipal bonds) should be excluded from investment consideration. (It should be noted that under certain circumstances, a tax-exempt organization's investments can generate Unrelated Business Taxable Income (UBTI). Therefore, for investment vehicles and strategies that could potentially generate UBTI, an expectation should be that they seek to minimize it.) The current external legal/regulatory frame-work, to which generally all assets are subject, is also described in **Appendix 1.**

Long Term Fund

Investment Return Objectives. Used primarily for investing endowed assets, the principal return objective of the Long Term Fund is to achieve, net of administrative and investment expenses, *significant and attainable* "real returns;" that is, nominal returns net of expenses, over and above the rate of inflation. By distributing a significant real return stream, disbursements for current expenditure will grow with the rate of inflation so as to maintain their purchasing power and support level into perpetuity. Other secondary investment return objectives for the Fund are to outperform various market and peer group benchmarks. (Details on these benchmarks are provided in later sections.)

Spending Policy. The "spending policy" for an endowment provides guidance and a methodology for determining what amounts are to be distributed for annual spending purposes. The policy should help ensure that the purchasing power of the corpus is maintained. The current spending policy for the Long Term Fund is provided in **Appendix 2.**

Usage, Constraints, and Other Considerations
Investment Time Horizon. With over 95 percent of the accounts in the Fund classified as endowments, the appropriate investment horizon is extremely long term. The Fund should therefore be managed as an "endowment fund," where the purchasing power of the corpus ~~"principal"~~ is to be preserved into perpetuity.

Fund Size. At roughly $270~~330~~ million as of June 30, 200~~98~~, the Fund is large enough to participate in virtually all asset classes. However, smaller percentage allocations to certain asset classes may

necessitate the use of commingled vehicles rather than separate accounts. Commingled vehicles preclude the application of individualized investment guidelines.

Dependence on and Variability of Distributions. Expenditures from UW Trust Funds do not represent a significant portion of overall UW campus budgets. However, specific departments and programs may rely heavily on Trust Fund resources. As such, extreme variability in the value of the annual distributions is not desirable. Therefore, risk objectives (i.e., volatility of returns) and the spending rate methodology should take this into account.

Liquidity Requirements and Cash Flow Analysis. Generally, the Fund has an obligation or liability to pay out the spending rate, plus expenses, offset by new contributions. To a limited extent, some "quasi-endowments" or "expendable" assets are invested in the Long Term Fund, which results in the occasional need to liquidate Fund principal as well. Over the six-year period ended June 30, 2007, the Fund experienced average net quarterly cash flows of only -0.6 percent of assets. The limited nature of quarterly withdrawal requirements coupled with the perpetual time horizon of the Fund suggests that meaningful ~~significant~~ allocations can be made to "illiquid" asset classes. Nevertheless, careful and on-going cash flow modeling for "illiquid" investments and asset classes should be conducted to help ensure that the Long Term Fund has the desired liquidity when needed, and that the Fund does not deviate substantially from its desired asset class, investment, and manager target allocations.

Investment Risk Objectives. A primary risk objective is to minimize the probability that the desired return objective is not achieved, particularly over the intermediate to long term. Another objective, as suggested above, is to limit extreme volatility of spending distribution levels in the shorter term, which by extension implies limiting extreme volatility of returns in the shorter term. To address both of these shorter and longer term concerns, the Fund should seek to minimize its expected volatility for any given targeted return level. However, it is also recognized that expected volatilities, as represented by standard deviations assuming "normal distributions," do not provide a complete picture of portfolio risk. Therefore, another risk objective of the Fund is to maintain meaningful "hedges" against major economic events or traumas that can lead to "fat-tail" negative outcomes.

Intermediate Term Fund

Investment Return Objectives. The primary objective of the Intermediate Term Fund is to provide competitive investment returns consistent with very moderate levels of volatility (ideally, equal to or lower than that expected from an intermediate, investment-grade bond portfolio) and low probability of loss of "principal." Furthermore, the Fund should seek to maximize its expected return for any given targeted level of volatility. Other investment objectives for the Fund are to outperform various market and peer group benchmarks. (Details on these benchmarks are provided in later sections).

Usage, Constraints, and Other Considerations.
Investment Horizon. Over 90 percent of the Fund is represented by "quasi-endowments," where the expected investment horizon is approximately two to five years. Some ten percent of the Fund appears to represent unspent Income Fund balances that have been swept into the Intermediate Fund; these assets should be considered to have an even shorter investment horizon.

Fund Size. At approximately $652 ~~2~~ million as of June 30, 20098~~8~~, were the Fund considered on a "stand-alone" basis, it would likely not be large enough to participate in some "alternative" asset classes such as Private Equity ~~and Absolute Return~~, where investment minimums may be quite high. However, since the

Long Term Fund participates in these alternative asset classes, investment minimums would likely not be an issue.

Dependence on and Variability of Distributions. Historically, this Fund, invested entirely in U.S. Bonds, distributed all of its interest income to the Income Fund for spending purposes. However, since all of the assets of the Intermediate Term Fund are considered fully expendable (i.e., principal can be completely spent down too), the level and variability of such spending distributions are essentially irrelevant.

Liquidity Requirements and Cash Flow Analysis. The Fund permits withdrawals and contributions on a quarterly basis; however, the quarterly cash flows are less certain since all assets are fully expendable. An analysis of the Fund over the three-year period ending June 30, 2007, indicates that *quarterly* net withdrawals have been as high as *-6.4 percent* of the Fund, while net contributions have been as high as +8.7 percent. Net quarterly cash flows have averaged +/-3.5 percent of the Fund, but have been essentially zero over the entire period. (i.e., contributions have roughly equaled withdrawals). However, during this time, all of the Fund's interest income was being distributed to the Income Fund for spending. Therefore, the Fund may exhibit higher withdrawals going forward if it becomes partly invested in non- or low- income-generating asset classes. Given the quarterly cash flow uncertainty of this Fund, the fact that all assets are in theory immediately expendable and that the expected average investment horizon is only two to five-years, "illiquid" asset classes do not make sense.

Investment Risk Objectives. The primary risk objectives for the Fund are to provide moderate levels of return volatility (ideally, equal to or lower than that expected from an intermediate, investment-grade bond portfolio) and low probability of loss of "principal."

Income Fund

Investment Risk and Return Objectives. The primary objective of the Income Fund is to provide competitive investment returns consistent with the need for preservation of "principal" and immediate liquidity. Expected risk and return for the Fund should also be similar to high-quality "money market" funds.

Usage, Constraints, and Other Considerations.
Investment Horizon. The Fund is used primarily for the following: 1) spending distributions from the Long Term Fund (these amounts become currently expendable income); 2) other monies which are needed for expenditure, generally within the next twelve to eighteen months; and 3) pending investment of new monies awaiting investment in long-term Funds.

Liquidity Requirements. This Fund essentially permits withdrawals and contributions on a daily basis. Only short-term, highly liquid investments are appropriate here.

State of Wisconsin Requirement. By statute, this Fund must reside with the State as part of its agency-commingled State Investment Fund, and it is managed by the State of Wisconsin Investment Board. Other than performance reporting and certain benchmark comparisons discussed later, *this document excludes any further discussion of the Income Fund, as it falls outside of the purview of the UW Board of Regents and UW Trust Funds staff.*

Internal Competencies. The specific policies contained in the IPS should also take into account internal competencies and limitations, given the size, structure, and governance of the UW Trust Funds. These are broadly categorized and discussed below under "Strengths" and "Weaknesses."

Potential Strengths.
Asset Base. The relatively modest size of assets under management should allow for participation in investment opportunities which have more limited capacity. Funds can be either too small or too large to effectively participate in some markets and opportunities. UW Trust Funds' size may often fall in the "sweet spot" in this regard.

Committee and Board Composition. The relatively small size of the Committee may facilitate more effective and timely decision-making. Also, the Committee and Board are made up of State government-appointed members with diverse and varied personal and professional backgrounds, including UW students. This diversity of backgrounds and expertise may enhance deliberation and decision-making by providing for unique and fresh perspectives.

Reputation. Many investment management firms and service providers prefer to have prestigious institutional clients, and the UW System is so perceived. Also, the prestige of the UW should help to attract and retain talented investment staff.

Academic Expertise. Although infrequently tapped, the UW System includes academicians with expertise in relevant fields such as investments, economics, and accounting. (Applied graduate student investment programs are one example of such academic expertise.)

Potential Weaknesses.
Asset Base. The modest size of assets under management may limit, to some extent, the level of resources devoted to internal investment capabilities and staffing, as their costs are charged against invested assets.

Compensation of Investment Professionals. Compensation levels and types (e.g., base salary, performance-based incentives) may not be considered competitive enough to attract and retain talented investment staff.

Committee and Board Composition. The Committee is not purely an "Investment Committee," and there is no requirement for its members to have any investment experience or expertise. In fact, for the most part, members have historically not had investment-related backgrounds. Also, Committee membership likely changes more frequently than is typical among investment committees of other endowments and foundations.

B. Core Investment Philosophy and Beliefs

Nature of Capital Markets, Investment Risks and Returns. When one seeks to truly "invest," the objective is not just to get one's money back (or even just enough to maintain the same purchasing power), but to actually make more money, to make a profit, to have increased the "real" value of your assets. To do this, one must be willing to accept some level of investment risk. Unfortunately, there are no "risk-free" assets capable of generating returns sufficient to support the desired spending levels of an endowment. In free and open capital markets, capital will flow to higher risk investment opportunities only if they are priced to provide the *potential* for higher returns. "Potential" for higher returns is emphasized here, because the higher returns are not a certainty; if they were certain, they would not be riskier. The *expected average* return may be higher, but the range of possible outcomes is much wider

(including the possibility of complete loss) versus a "safer" investment. Some investment risks, however, can and should be mostly *diversified away*, as these risks are not on average compensated for. An example of such a risk is the "idiosyncratic" or "non-systematic" risk that comes from investing in a particular company, or even industry. These are risks peculiar to that company or industry. The power of diversification works to largely eliminate many of these risks. There are other types of risk that *cannot* be diversified away; they are referred to as "systematic" or "market" risks. But fortunately, these risks are compensated for on average. Some examples of systematic or broad market risks are the following:

- Equity market
- Bond market (credit and/or interest rate risk)
- Inflation
- Deflation
- Economic trauma
- Geopolitics
- Liquidity/Illiquidity
- National and global monetary and fiscal policies

It may be possible to hedge against some of these risks, but they cannot be completely eliminated simply through investment diversification. However, since these broad risk factors affect different markets and asset classes in different ways and to varying degrees, *diversification among many different asset classes and markets can greatly reduce overall portfolio risk.* It is important to keep in mind, though, that *all* investment returns derive from economic activity and productivity – from the creation (or destruction) of "real" wealth, real goods~~,~~ and services. Whether it is corporate profits or interest income, the corporations and borrowers are engaged in economic activity, which if successful, will allow them to repay their lenders or share the wealth with their owners. With this perspective in mind, it is clear that broad (increasingly, global) economic activity is the ultimate risk factor, and that each of the systematic risks listed above can significantly impact this economic activity. In summary, the principal premise put forward here is that investment risk is inherently neither good nor bad, but all aspects and sources of potential risk must be understood, monitored, managed, and, in the end, embraced in order to achieve attractive and commensurate returns.

Market Efficiency. As originally formulated, the concept of "market efficiency" referred to its "informational efficiency;" that is, whether market prices fully reflect all available information, and that assets are then appropriately priced relative to "fully-informed" perceptions of their risk. In such a world, all assets should provide similar perceived-risk-adjusted returns. However, the concept of an efficient market has also come to refer more nebulously to a market where assets are always priced at "fair value." What is "fair value" though? It means that an asset is not "mispriced." Mispriced relative to what? The only time it can be said with certainty that one asset is mispriced is if there is an identical asset that is selling for a different price (this is called an "arbitrage" opportunity and they, of course, will always be short-lived). The premise put forward here regarding market efficiency is that markets some times do a very poor job in even roughly pricing risk appropriately. In that sense, the general belief is that prices for individual assets, and even entire sectors and markets, do sometimes veer far from "fair" or "intrinsic value," and that these mispricings can be exploited through active management. However, it is also important to state the additional premise that some markets are inherently less efficient in this sense. This can be because they simply receive less attention (e.g., stocks of small companies vs. stocks of large companies), or because there is much less public information available about them (e.g., commercial real estate or private equity).

Alpha and Beta Concepts. The concepts of "alpha" and "beta" in a portfolio management context have become a common part of investment vernacular. Although they are frequently overused or misused, institutional investors and fiduciaries should have a basic understanding of these concepts. As applied to a single security, the term "beta" is generally used to denote that component of expected return attributed to the security's sensitivity to movements in the overall market. For example, if a security has an estimated (or historical) beta of 1.2, it would be expected to move on average, 20 percent more than the market overall; that is, it would be 20 percent more volatile. The beta for the overall market in question is always set at 1.0, so the beta measures for individual securities are *relative* to the market. Beta is therefore to be viewed as a standardized measure of "systematic" risk which cannot be diversified away. The term "alpha" in a single security context is used to denote any expected excess return; that is, expected return over (or under) that predicted by the security's beta. (In mathematical terms, the equation is denoted as follows: expected return = (market return x beta) + alpha.) This expected excess return would exist only if the security was "mispriced" or "inefficiently priced." In an overall portfolio context, the term beta is generally used to denote the return achievable by simply investing passively in a particular market, such that only systematic risk is incurred. The term alpha here has come to simply denote excess return, if any, over and above that of the market in question. Positive (or negative) alpha can only be realized through active investment management, that is, consciously deviating from a given market benchmark.

Portable Alpha. An investment technique that has become increasingly in vogue is referred to as "portable alpha." The idea behind it is that alpha and beta sources within a portfolio context can be "decoupled." More typically, institutional portfolios have had to find alpha only from where they have placed their beta (market or asset class) allocations. For instance, if an investor wanted a beta exposure of say 50 percent in U.S. large-cap equities, any alpha (excess return) for that allocation would have to come from active management within that large-cap portfolio. Therefore, beta and alpha were inextricably tied together. An example of "portable alpha" would be as follows: the investor gets cheap beta exposure to U.S. large-cap equities through S&P 500 futures; actual dollars are used to fund a U.S. small-cap equity manager, where there is, in theory, greater alpha potential; and, finally, the small-cap beta exposure is hedged away by selling small-cap futures. The result is that the small-cap manager's pure alpha, if any, has been "ported" onto the large-cap beta exposure. Whereas return expectations from an active large-cap portfolio might have been the S&P 500 return + 100 basis points, the portable alpha structure might be expected to produce S&P 500 + 300 basis points. The premise put forward here, is that portable alpha is a logical and potentially attractive active management strategy. However, if and when it is entertained, its complexities and risks must be fully understood and easily managed.

Active vs. Passive Management. Consistent with the premises on market efficiency, the belief put forward here is that active management may be desirable (as opposed to passive or indexed management), especially in less efficient markets. However, if active management is to be pursued by hiring external managers, one must be adept at selecting superior managers, because active management is a zero-sum game – one manager's positive alpha is another manager's negative alpha. One good indication of market efficiency, as well as a good indicator as to whether active management should be pursued, is the dispersion of returns among managers within an asset class. For example, the dispersion of returns between "top-quartile" and "bottom quartile" private equity or real estate managers is huge, whereas the dispersion between the top and bottom investment-grade bond managers is negligible.

Hedge Funds. Hedge funds are largely unregulated vehicles that can represent "the ultimate" in active management, where there are few if any constraints imposed. For instance, they are commonly believed to use extensive leverage, sell short, use derivatives, and otherwise invest in anything, anywhere – the more exotic the better. Nevertheless, a premise is that a diversified portfolio of skilled hedge fund

managers, operating within prudent constraints and with strong risk-control capabilities, can add a level of diversification and return potential from active management to an otherwise well-diversified portfolio. Due diligence standards, must, however be of the highest order given hedge fund managers' greater flexibility.

Market Neutral and Absolute Return Funds. A type of hedge fund strategy that may be of particular interest is a so-called "market neutral" or "absolute return" strategy. Here, the intent is that its investment returns will exhibit little or no correlation to the movements in the major capital markets. The returns in total, in theory, should come primarily from manager skill in identifying and exploiting mispricings and arbitrage opportunities; any beta exposures are in theory hedged away. If, again, skilled managers following such strategies can be sourced, these types of hedge funds would provide an excellent additional source of portfolio diversification.

Capitalization-Weighted Benchmarks. It is recognized that the market benchmarks that are most widely used are "capitalization-weighted." Capitalization-weighted indexes are comprised of a particular market's securities, weighted by their total capitalization value (i.e., total shares outstanding times current market price). Some academicians and practitioners have suggested that there are some fundamental flaws to cap-weighted benchmarks. First among those suggested, is that cap-weighting on average results in an overweighting of overvalued stocks, and "growth" stocks in general, and an underweighting of undervalued stocks, and "value" stocks in general. Schemes such as equal-weighting (which has its own drawbacks) or weightings based on some "fundamental" business measures (e.g., sales, market share, etc.) have been suggested as better alternatives. For the time being, the premise in this regard is that capitalization-weighting remains a sound basis for benchmark construction.

Primacy of Asset Allocation. The single most significant decision in the investment process is that of asset allocation; that is, deciding how assets are to be allocated among the major investment categories (or asset classes). Studies indicate that well over 90 percent of a portfolio's return can be explained simply by its asset allocation.

Mean-Variance Optimization and its Limitations. "Mean-variance optimization" programs are a very commonly used tool for conducting asset allocation analyses. They are designed to solve the following question given the inputs discussed above: Which portfolios will provide the highest expected average return for any expected level of volatility, or conversely, which portfolios will provide the lowest expected volatility at any expected level of return? Forward-looking capital market assumptions for various asset classes are essential in determining which portfolios will exhibit desirable risk/return profiles. These same assumptions are also the key inputs to "mean-variance optimization." They are: 1) expected returns, 2) standard deviations, and 3) correlations. Although there are very significant limitations to mean-variance optimization (e.g., "normal" distributions of investment returns are assumed when hard-to-model "non-normality" and "fat left tails" are more realistic; there is uncertainty associated with other~~the~~ assumptions and inputs; there is significant sensitivity to small changes in assumptions; covariances change over time and under more extreme conditions; it assumes that the simple "point-estimates" of assumptions are known with certainty and that the outcome is therefore known with certainty; outcomes, therefore, do not reflect the probabilities that significantly different outcomes may occur; etc.), the analysis is at least a useful and informative exercise. For instance, it prompts an investor to carefully review expected returns and volatilities of various asset classes, their implied risk premiums, and their relationship to each other and whether these make intuitive sense for capital markets. They also help encourage investors to "stretch" in terms of giving consideration to new or more non-traditional asset classes. Also, mean-variance optimization can lend some quantitative support to what intuitively seems to make good sense and indicate whether one is at least "heading in the right direction." On the other

hand, it is important to note that unless some constraints are employed in the modeling (i.e., reasonable minimums and maximums by asset class), an optimizer will generate many, if not mostly, portfolios that are intuitively unacceptable (e.g., 50 percent or more to Real Assets or Private Equity). Therefore, some "reasonable" constraints should normally be devised.

Specification and Primary Roles of Asset Classes. Although there are certain standard broad classifications (e.g., equities and bonds), there remains some controversy over what constitutes a distinct asset class. However, the criteria given below provide a good starting point for asset class specification:

- *Assets within an asset class should be relatively homogenous.* Assets within an asset class should have similar attributes. [And they should be subject to the same principal risk factors.]
- *Asset classes should be mutually exclusive.* [That is, they should not overlap.]
- *Asset classes should be diversifying.* For risk-control purposes, an included asset class should not have extremely high expected correlations with other asset classes or with a linear combination of the other asset classes. Otherwise the included asset class will be effectively redundant in a portfolio because it will duplicate risk exposures already present. In general, a pair-wise correlation above 0.95 is undesirable.
- *The asset classes as a group should make up a preponderance of world investable wealth.*
- *The asset class should have the capacity to absorb a significant fraction of the investor's portfolio without seriously affecting the portfolio's liquidity.* Practically, most investors will want to be able to reset or rebalance to a strategic asset allocation without moving asset class prices or incurring high transaction costs.[2]

Asset classes should also be grouped into certain "super-categories" based on the primary roles those asset classes are expected to play within the overall portfolios. It is recognized that expected returns, volatilities, and pair-wise correlations are inherently imperfect representations of true underlying risks and returns. Therefore, optimal portfolios generated using only these inputs may lack some needed judgmental, qualitative assessment of broad risk factors, and risk control. This is where it may also be helpful to consider what levels of assets might be prudently devoted to each such "super-category."

The following broad asset classes, grouped by "super-categories," are consistent with the above criteria and are deemed appropriate for the UW Trust Funds:

Growth and High-Yielding Assets. (i.e., higher risk "return drivers")
U.S. Equities
Non-U.S. Equities
Emerging Market Equities
Private Equity (e.g., venture capital, leveraged buyouts, other private capital)
High Yield Debt (e.g., high yielding corporate debt or bank loans, emerging market debt)

Event-Risk and Deflation-Hedge Assets. (i.e., lower risk, "catastrophe insurance"-like)
U.S. Bonds (pure U.S. Treasuries are perhaps ideal here)
U.S. Cash
Absolute Return (this "asset class" is best represented by "market-neutral" hedge funds)

Real and Inflation-Hedge Assets. (i.e., physical assets and inflation-protected financial assets)
U.S. TIPS (Treasury Inflation Protection Securities)

[2] Sharpe, Chen, Pinto and McLeavy. "Asset Allocation." *Portfolio Management.* CFA Institute, Ch.5.

Real Assets (e.g., private/public commercial real estate, timber and farm land, commodities, infrastructure)

Market indexes selected to be broadly representative of each of these asset class (and in most cases to suggest appropriate passively managed alternatives), are provided in later sections or appendices.

Meaningful Asset Class Allocations. Another basic premise regarding asset classes and their inclusion in a portfolio is that the allocation must be significant enough to provide its desired attributes in a meaningful way. Allocations of less than 5 percent of portfolio assets to a particular asset class do not make sense.

Tactical Asset Allocation. "Tactical asset allocation" involves making tactical shifts away from long-term strategic asset allocations. The crux of this strategy involves the following: some form of current valuation of asset classes or markets as a whole, determination of the "fair" risk-adjusted valuation (whether an "equilibrium" or average historical value, etc.), determination of the current level of over- or under-valuation and what this implies for expected returns going forward. Based upon relative levels of over-/under-valuation and expected future returns (for some period) among the asset classes/markets available, under- and over-weightings versus some strategic norm or benchmark are implemented. This is no different than what an active long-only stock picker does, but he does it at the individual security level; the asset allocator does it at the asset class level. Risk-controlled active asset allocation strategies should provide opportunities to add alpha over and above what a static, strategic asset allocation can be expected to provide. Desirable managers for a global active asset allocation mandate should have all of the following characteristics: a strong, dedicated and utterly defensible conviction that it can be done successfully; a long and strong track record that supports this conviction; a sophisticated risk-control platform; strong global presence and expertise; and very bright people and leadership that reflect a strong cultural continuity. If such managers can be found, a global active asset allocation strategy should be considered for incorporation into the Long Term Fund's portfolio, in some manner and at some level. (Note, when this strategy is employed with a global focus, it if often referred to as "global tactical asset allocation," or GTAA.)

Opportunistic Investment Category. The concept behind an "Opportunistic" investment category is as follows. On occasion, unusual and exceptional investment opportunities may present themselves which could meaningfully improve the risk/return profile of the Funds. Such an investment opportunity will likely represent one of the following situations: 1) it does not quite fit into any currently acceptable asset class or strategy (at least as they are presently defined), or 2) investing in the opportunity would shift the Fund's strategic asset allocations beyond what is normally acceptable. Also, such investments will normally not represent permanent positions; i.e., they will likely have either a term associated with them (e.g., a limited partnership vehicle) or they will eventually be divested or otherwise unwound. A limited place should be reserved for such unusual opportunities for the Long Term Fund.

Currency. Currency is not considered to be an asset class or an "investment" at all for that matter, as there are normally, and on average, no expected returns from holding or being exposed to, a foreign currency. Also, unhedged foreign-denominated assets generally provide somewhat higher levels of diversification (i.e., somewhat lower correlations) in a broad portfolio context. Therefore, for the most part, and unless significant skill in currency exposure management can be demonstrated, assets denominated in foreign currencies should not be hedged.

Commodities. Although "commodities" are included in the Real Assets category shown above, it is in many ways also questionable as to whether they constitute an asset class or an "investment" at all. Direct

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ownership of commodities (or commodity-linked derivatives) may provide an inflation hedge, in that their prices should in theory be highly correlated to general inflation levels, but aside from an inflation-like return, there is no other expected return and certainly no generation of income while the assets are held. Most commodities do have intrinsic value as production inputs to the process of generating real economic wealth (gold is one exception here, however, as it has essentially no intrinsic value), so demand for commodities should be fairly strongly correlated to levels of and growth in economic activity. Of course, "substitution" is always a risk that could diminish demand. The supply side of the price function is much less clear. For instance, non-renewable commodities will eventually grow more scarce, while new technologies and efficiencies will continue to enhance supplies (and lower production costs) of both renewable and non-renewable resources. Of course, diversification (from lower correlations to other investments) is often cited as a primary benefit from commodity ownership, but source and levels of return remain nebulous. The premise put forth here is that direct ownership of commodities themselves (even in derivative-linked forms) represents a dubious form of "investment." Commodities may represent another option for simply "storing wealth" or as an inflation hedge, subject nonetheless to the risks and vagaries of their unique supply and demand functions. Making (or losing) money in commodities and commodity derivatives may therefore remain a playground better suited to speculators and natural hedgers (i.e., commercial producers and users).

Leverage. The use of borrowed funds, or explicit leverage, in investing is inherently neither good nor bad. It becomes good or bad depending on how it is used, how much is used, and what is being levered (e.g., what the nature of the collateral is). It is important to remember that many "traditional" types of investing involve substantial leverage; for example, stocks of companies that have significant debt, or stocks/interests in commercial real estate investment entities that have considerable debt. The intent in using debt is to lever up the returns going to the reduced level of equity being invested. Of course the leverage works both ways; if there are losses, they fall entirely onto the equity (assuming that losses are not severe enough to impair the repayment of the debt). The premise put forward here is that the use of leverage *within the context of an investment strategy/portfolio itself*, may be prudent and desirable depending on how it is used, how much is used, and what is being levered (e.g., what the nature of the collateral is).

Derivatives. A derivative is defined as an instrument that derives its value from some underlying asset, reference rate (such as an interest rate), or index. It is recognized that derivatives involve certain risks as do all investments, but that their risk ensues primarily from how they are used in the context of an overall portfolio. Derivatives can be used in ways that increase or decrease the risk/return profile of an investment portfolio. Therefore, as with leverage, derivatives are inherently neither good nor bad~~, as they can be put to either good or bad purposes.~~ The primary risk of derivative strategies comes from the potential to leverage a position or to invest/speculate without committing capital. For example, to the extent that the underlying collateral for a long derivatives position is invested in other than essentially risk-free assets, the position is "leveraged" in that additional risk is introduced into the portfolio. The use of derivatives to create such economic leverage should generally be prohibited. The use of "over-the-counter" (OTC) derivatives also introduces counter-party credit risk; this results because there is no well-capitalized clearinghouse that insures the performance of both parties to a derivative contract as there is for exchange-traded derivatives. Overall,~~Other~~ uses of derivatives, if employed, should be well-defined, clearly understood, and generally seek to reduce or provide for better management of portfolio risks and/or costs.

Short Selling. "Short selling" is the practice whereby a security is "borrowed" and sold at today's price; the security is then repurchased by the short seller in the market at a later date to replace the security borrowed from the lender's account. As opposed to owning the security (or being "long" the security) if

its price is expected to rise, one might sell the security short (or be "short" the security) if its price is expected to fall. Short sales are conducted through a broker: not only are the proceeds from the short sale kept on account with the broker, the short seller must also post margin (essentially, collateral) to ensure that the trader can cover any losses sustained if the security price *rises* during the period of the short sale. Whereas the maximum loss for a long position is the amount invested, the maximum loss from a short position is in theory unlimited (if the price were to rise to infinity). Although short sellers face particular challenges, risk-controlled short selling within an overall portfolio context can be rewarding if the manager has real skill in identifying both under- and over-valued securities. In fact, numerous academic studies have shown that by being allowed to combine long and short positions, a skilled manager is better equipped to translate his insights into profitable portfolio positions. One example of long/short portfolio strategies is a "130/30" strategy, where the manager is permitted to go up to 130 percent long and 30 percent short, such that the net long exposure is 100 percent. Effectively, such a portfolio can be no more risky than a traditional 100 percent long portfolio and yet provide more opportunities for alpha.

Securities Lending. Securities lending is taking the other side of the short sale (securities borrowing) described above. Many, if not most, large institutional investors, usually through their custodian bank, actively lend securities they own. The objective is to earn a modest level of incremental income from the program in one of the following ways: 1) if the borrower posts other securities as collateral, the lender simply receives a fee, usually quoted in basis points per annum of the original market value of the loaned security, or 2) if cash is posted as collateral, the revenue generated from lending is derived from the difference or "spread" between interest rates that are paid (the "rebate rate") and received (the "reinvestment rate") by the lender. It is recognized that the primary risk in securities lending is not that the borrower will default, due to required collateralization and margin maintenance, but that in the case of cash collateralization, the expected interest spread is not earned. If a securities lending program is to be approved, the risks must be fully understood and commensurate with expected incremental returns.

Strategic Partnering. Given certain internal constraints and competencies, "partnering" with fewer excellent managers capable of providing wide-ranging research and consultative feedback is desirable. Therefore, a focus in investment manager selection should be to employ at least some managers that can become such "strategic partners."

Flexible Yet Disciplined. The overall management process for the UW Trust Funds' investment program should be flexible enough to allow for capturing investment opportunities *as they occur*, yet maintain reasonable parameters to ensure prudence and care in execution.

C. Other Premises

Corporate Activism and Social Responsibility. As an owner of stocks of public corporations, ownership rights should generally be exercised in a manner consistent with maximizing the value of the ownership interests. The voting of proxies, and the introduction of proxy proposals, is one important ownership right. Furthermore, while acknowledging that the primary fiduciary responsibility of the UW Trust Funds is to maximize financial gain on its investments, considerations of the "social responsibility" of the entities in which it may invest can still be entertained. The current policies related to proxy voting and "social responsibility" are summarized in **Appendix 3.**

Large Unrestricted Gifts. Large gifts where the donor does not restrict principal ("quasi-endowments") should become Board-designated endowments so as to provide for more perpetual support to the UW,

unless compelling arguments for complete expenditure can be made. The current policy details are provided in **Appendix 4.**

Investing with a Wisconsin Focus. The Board's primary fiduciary responsibility for UW Trust Funds is to maximize financial return, given an appropriate level of risk. The Trust Funds generally are not managed internally but are managed by external investment firms. These investment managers, for both public and private investments, have the ability to invest in Wisconsin-based companies and start-ups to the extent they deem them to be desirable and appropriate investments. Furthermore, the sources of Trust Funds' assets are generally bequests and donations to benefit programs and activities as specified by the donors. Investing these funds with a Wisconsin focus would not provide any "additional" benefits for these programs and activities. In this case, the fiduciary responsibility is clearly to choose among the best investment options available without any bias as to where they are located.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Investment Policy Statement

II. Investment Policies

A. Asset Allocations, Policy Portfolios, and Benchmarks

Strategic Asset Allocations.

Purpose. As noted earlier, determining and implementing the overall strategic asset allocations for the Funds is the first and most important step in implementing the investment program. The strategic, or policy, asset allocations should represent the long-term "equilibrium" or "normal" asset class positions for the portfolios, positions that under normal conditions are expected to best meet the Funds' objectives for both investment returns *and* risk.

Frequency of Asset Allocation Reviews. Given their focus on long-term capital market assumptions, in-depth asset allocation reviews need not be conducted on a set schedule. However, it is anticipated that in-depth reviews will be made at least once every three years. Also, the spending policy for the Long Term Fund should generally be reviewed in conjunction with an asset allocation review.

Sources of Data and Assumptions. Trust Funds will rely heavily on input from its "strategic investment partners" for the capital market assumptions required in an asset allocation analysis. Such assumptions are intended to be conscious of not only long-term historical relationships and averages, but also projected long-term capital market conditions based upon current economic and financial environments. Asset class return expectations should also be "internally consistent" and reflect a "build-up" of the following components: inflation + the risk-free real rate of return + various risk-premiums depending on the riskiness of the asset class in question. Furthermore, in the case of equities, return expectations are also viewed as being comprised of the following "building blocks:" earnings per share growth (which for equities overall should equal nominal GDP growth) + dividend yield + return impact from change in the price-to-earnings (P/E) ratio.

Reliance on Models and Judgment. Strategic asset allocation reviews will rely heavily on the use of "mean-variance optimization" models (discussed more in the *Premises* section). Other statistical tools may also be utilized, such as "Monte Carlo Simulations," to help predict probabilities of various outcomes. However, as these models and programs have significant limitations (also discussed earlier), results should be tempered with substantial amounts of judgment. Such judgmental factors are to be fully discussed as part of any reviews and recommendations of strategic asset allocations.

Departures from Strategic Asset Allocation Targets.

Setting Asset Allocation "Ranges." Strategic asset allocation analyses are generally intended to produce a desirable portfolio with *precise percentage targets* for each asset class. A common and acceptable practice is, however, to adopt permissible allocation ranges about these precise targets. This allows for some "tactical flexibility" for controlled deviations and limits, to some extent, the need for constant rebalancing. Asset allocation ranges are to be incorporated into approved asset allocations plans.

Global Tactical Asset Allocation. As discussed earlier in the *Premises* section, a core investment belief is that entire markets or asset classes can become significantly under- or over-valued, and that such inefficiencies can be exploited by capable and disciplined managers. Allocations to GTAA managers or strategies, if any, are to be fully described and incorporated into approved asset allocations plans. It is expected that any GTAA component will take one of two forms: 1) a dedicated portion of Fund assets will be allocated to a manager(s), or 2) an overlay strategy for the entire Fund will be employed. Furthermore, the GTAA program, if any, is to be designed so that overall Fund deviations from strategic asset allocation targets will normally be within permissible ranges. As with any active asset management

strategy, GTAA is to be pursued in a risk-controlled fashion and only to the extent that truly skilled and capable managers can be sourced

Opportunistic Investment Category. Also as discussed earlier in the *Premises* section, another core belief is that unusual investment opportunities may present themselves from time to time which would either 1) not quite fit into any currently acceptable asset class or strategy, or 2) shift the Fund's strategic asset allocations beyond what is normally acceptable. To the extent that such "opportunistic investing" is permitted, it is to be incorporated into approved asset allocations plans. Absent any unusual opportunities or strategies, the allocation to Opportunistic investments will be zero. When an opportunistic investment is to be made, it is generally to be funded either by a roughly proportional reduction in all other asset classes, or the asset class most resembling the opportunistic investment is to be used as the primary funding source.

Current Asset Allocation Targets by Fund.
Long Term Fund. The current strategic asset allocation or "policy portfolio" for the Long Term Fund, without the incorporation of Global Tactical Asset Allocation or Opportunistic categories, is provided in **Appendix 5.** *Therefore, this appendix provides the long-term strategic allocation, absent any allowance for significant tactical shifts or "opportunistic" investments.* To the extent that GTAA and/or Opportunistic categories are to be incorporated, the combined target asset/category allocations are provided in **Appendix 6.** Asset class benchmarks are also provided in each Appendix.

Intermediate Term Fund. The current strategic asset allocation or "policy portfolio" for the Intermediate Term Fund is provided in **Appendix 7**. Asset class benchmarks are also shown.

B. Other Investment and Risk Management Policies

Rebalancing. Rebalancing to target asset allocations, or to within permissible ranges, is a key risk management practice, given again the primacy of asset allocation to achieving and maintaining the desired risk/return profile. Furthermore, to the extent that multiple managers, investment styles (e.g., growth vs. value, large- vs. small-cap, etc.), or "sub-asset classes" are employed within a particular broad asset class category, rebalancing should generally take place at these levels as well. Details of the current rebalancing policies are provided in **Appendix 8.**

Sector, Security, Individual Investment Concentration. Generally, limits on various investment concentration levels are not to be set at the broad policy level. However, it is expected that virtually all investment managers, strategies, and vehicles selected will employ diversification sufficient to eliminate a majority of "non-systematic" or idiosyncratic risks. Concentration levels will also be monitored closely, and in the case of "separate accounts," individualized investment guidelines will address this as well as other aspects of risk management.

Individualized Investment Guidelines. In the case of "separately-managed accounts," individualized investment guidelines are to be developed. These guidelines will vary depending on the asset class, style, and strategies involved, as well as the perceived capabilities of the investment manager in question. When commingled funds of any kind are contemplated, the funds' documented investment guidelines, and expected investment practices, are to be carefully reviewed to determine their acceptability.

Regarding Specific Investment Strategies and Vehicles. Certain guidelines, restrictions, and expectations are expected to be broadly applicable to most, if not all, investment managers and portfolios. These are discussed below.

Leverage. Generally, portfolios devoted to "traditional asset classes" (e.g., equities and fixed income) using "long-only" strategies are to be prohibited from using economic leverage. Notwithstanding this general prohibition, leverage may be used in Private Equity; Real Estate, and other similar Real Assets; Absolute Return, and other Hedge Fund strategies; and in the conduct of a "Securities Lending Program" (if such a program exists, it is to be fully described in an Appendix to the IPS). In these cases, leverage levels, limits, and practices are to be carefully reviewed as part of the initial and on-going due diligence process when investing in commingled vehicles. For separately-managed accounts, individualized investment guidelines are to address leverage.

Derivatives. The use of derivatives to create economic leverage is to be prohibited in traditional asset class portfolios. Furthermore, for any given portfolio, derivatives are generally to be limited to those whose value is directly linked to investments which would otherwise be permissible for that portfolio. Generally, derivatives are expected to be used primarily to reduce portfolio risks, provide needed liquidity, or to affect transactions more cost-effectively. For commingled vehicles; policies, practices, and limits on the use of derivatives are to be carefully reviewed as part of the initial and on-going due diligence process. For separately-managed accounts, individualized investment guidelines are to address the use of derivatives.

Short Selling. For commingled vehicles; policies, practices, and limits on short selling, if permitted at all, are to be carefully reviewed as part of the initial and on-going due diligence process. For separately-managed accounts, individualized investment guidelines are to address the practice of short selling, if permitted at all.

Foreign Currency Exposure. In general, the expectation will be that portfolios with assets denominated in foreign currencies will not hedge the foreign currency exposure either back into U.S. dollars or into another currency. To the extent that managers have demonstrated consistent skill in actively managing currency exposures, such activities may be considered. For commingled vehicles; policies, practices, and limits on currency exposure management are to be carefully reviewed as part of the initial and on-going due diligence process. For separately-managed accounts, individualized investment guidelines are to address currency exposure management.

Trading. Investment managers will be expected to execute all transactions at the lowest possible cost, which includes explicit commissions, bid/ask spread, and estimated market impact; in aggregate, this is referred to as obtaining "best execution." The use of "soft dollar" arrangements, where higher commissions are paid to a broker in exchange for research or other services, is generally to be prohibited or strongly discouraged, as such research or services may not in fact directly benefit the portfolio in question.

Manager Concentration. Recognizing that one element of risk is "manager risk," the risk that any particular investment manager may experience serious investment-related or organizational problems, manager-level concentration will be thoughtfully considered. Generally, acceptable manager concentration levels will depend greatly upon the asset class and investment strategy involved, as well as the expected level of "tracking error."

Risk Metrics and Budgeting. The broad framework for risk management consists of the following key elements: the strategic asset allocation, other investment polices and individualized investment manager guidelines, and the benchmarks used for measuring performance objectives. However, certain risk

metrics and budgeting practices are also to be employed to more quantitatively measure and control portfolio risk, particularly when active investment management is employed. These are discussed below.

Total Risk. The basis for the "risk budget" at the total portfolio level is the risk (volatility) of the Fund's "policy portfolio" benchmark. Thus the risk budget begins with the risk of the benchmark index, which assumes passive (or, in most cases, indexed) management within each asset class and no deviations (intentional or otherwise) from benchmark asset class weights. The "total risk" at the Fund level is to be defined as the annualized standard deviation of its monthly returns.

Budget. Total risk for the Long Term Fund is to be maintained at a level equal to the square root of the sum of the squares of the actual "benchmark risk" (described above) and the "active risk" budget (described below). As this precision is not practically achievable, the total risk is generally expected to be managed within a 20 percent range of the budgeted level. For example, if the total risk budget is 10 percent, the allowable range is 8 percent to 12 percent.

Active Risk. Active risk ensues from any deviations away from the Fund-level policy benchmarks or from the compositions of the benchmarks for each asset class. The budget for active risk is to be consistent with the tolerance for active risk and the expectations for excess returns from active management. The active risk at the Fund level is to be defined and measured as the "tracking error," which is the annualized standard deviation of the difference between monthly Fund returns and monthly policy portfolio benchmark returns.

Budget. The active risk, or tracking error, budget for the Long Term Fund is to be 5 percent annual standard deviation, and is expected to be generally managed within a range of 4 percent to 6 percent.

Note on Private Equity. Both total risk and active risk for the Long Term Fund is to be computed without the impact of Private Equity. Therefore, only for the risk budgeting purpose here, Fund and policy allocation benchmark performance calculations assume there is no Private Equity component.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Investment Policy Statement

III. Implementation

A. Roles and Responsibilities

Board of Regents. The full Board retains these specific responsibilities:

- Approve the Investment Policy Statement, which includes these key elements:
  - Asset allocations for each Fund
  - Spending policy for the Long Term Fund
  - Proxy voting and policy, and "social responsibility" policies
- Annually elect all UW Trust Funds-related officers (i.e., the Trust Officer and any Assistant Trust Officers, which includes the Director of the Office of Trust Funds)

Business, Finance, and Audit Committee. The Board delegates all other management and administration responsibilities for the UW Trust Funds to its Business, Finance, and Audit Committee. The Committee, in turn, is authorized, with the approval of the Board, to delegate such powers and responsibilities regarding the management and administration to the Trust Officer or other administrative officers or employees of the UW System as the Committee deems appropriate. The Committee retains these specific roles and responsibilities:

- Recommend to the full Board an Investment Policy Statement, which includes these key elements:
  - Asset allocations for each Fund
  - Spending policy for the Long Term Fund
  - Proxy voting and policy, and "social responsibility" policies
- Recommend to the full Board the UW Trust Funds-related officers (i.e., the Trust Officer and any Assistant Trust Officers, which includes the Director of the Office of Trust Funds)
- Otherwise oversee and monitor all other aspects of the management and administration of UW Trust Funds which have been delegated to others

Office of Finance.

Vice President for Finance/Trust Officer. Primary responsibilities of the Vice President for Finance are the following:

- In general, oversee the management and administration of the Office of Trust Funds
- Perform other duties as required by law or assigned by the Board or Committee

Office of Trust Funds.

Director/Assistant Trust Officer. Primary responsibilities of the Director of the Office of Trust Funds are the following:

- In general, implement, conduct, oversee, and monitor all other aspects of the management and administration of the UW Trust Funds, including all specific policies and practices contained herein or otherwise approved by the Committee and Board
- So as to be particularly clear regarding this important function, the Director is responsible for hiring (and terminating) external investment managers (subject to the selection process discussed later), provided, however, that he/she provides to the Committee a due diligence memo regarding each prospective hire (or termination) at least 15 business days in advance of the manager's initial funding (or termination); should any Committee member voice opposition within that timeframe, the decision will be delayed pending further due diligence
- Submit periodic reports to the Committee (reporting/communication standards are discussed later)
- Manage and monitor all external and internal expenses and fees
- Manage and maintain all UW Trust Funds records
- Work with donors, estates, and trusts in taking in and properly establishing new Trust Funds accounts

Other Investment Staff. Conduct all investment management-related and administrative functions as assigned by the Director of the Office of Trust Funds.

Accounting, Recordkeeping, and Administrative Staff. Primary responsibilities are the following:
- In general, maintain all accounting and recordkeeping systems related to the various unitized investment pools, or Funds, and for all accounts participating in those pools
- Assist benefiting campuses and departments in their utilization of Trust Funds accounts

General Counsel's Office. Primary responsibilities are the following:
- Help ensure compliance with all applicable laws and regulations
- Provide assistance on any legal matters pertaining to bequests and other trust-related gifts
- Provide assistance on matters pertaining to investment-related contracts and agreements (external counsel may be hired under some circumstances)

Office of Procurement. Primary responsibilities are the following:
- Assist in the procurement of investment-related and other product/service providers, particularly where an RFP and competitive-bid process is warranted

Investment Managers. Primary responsibilities are the following:
- Manage the portfolio or commingled vehicle in conformance with their individualized investment guidelines or the guidelines of the commingled vehicle
- Provide the following information, at a minimum, to the Office of Trust Funds on a monthly basis (or quarterly for some asset classes): 1) portfolio holdings and valuations, 2) transaction summary, and 3) investment returns for the most recent period and since inception
- For separately-managed accounts, work with the custodian to reconcile any discrepancies regarding portfolio market valuations or calculated investment returns
- For commingled vehicles, provide safekeeping for underlying assets and interests
- Notify the Office of Trust Funds immediately upon any of the following events: a material change in the organization or the management of the portfolio; in the manager's judgment, the consequences of financial/economic developments may have a material adverse impact on the portfolio; the firm becomes subject to legal or regulatory enforcement actions or other investment-related litigation
- Ensure the availability of a senior-level officer(s) for annual due diligence meetings
- Ensure the availability of senior-level officers and/or investment professionals for due diligence meetings at the offices of the manager upon request

Custodian. Primary responsibilities are the following:
- Provide safekeeping for all UW Trust Funds assets, held in separately-managed accounts
- Provide monthly portfolio holdings, valuation, and transaction reports in a timely fashion
- Provide performance reporting and other analytics as requested and available under the custodial contract, or otherwise contracted for
- Notify the Office of Trust Funds immediately when there is a material change in the organization or its processes and procedures, or when there are any concerns regarding portfolio transactions or valuations
- File on behalf of UW Trust Funds, participation in class action lawsuits pertaining to Fund investments

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Investment Policy Statement

B. Investment Manager Selection, Retention, and Termination

Selection Process. Under all circumstances, the Office of Trust Funds is to conduct a thorough and documented due diligence process in the selection of investment managers or specific investment vehicles. In addition, in those cases where there are multiple providers of a desired investment product or service, UW and State procurement policies and practices are to be followed. This will typically involve a "bid process," including a Request for Proposal and public notification of the impending vendor search. Also in these cases, an "Evaluation Team" or "Selection Committee" will be involved in the selection process. Such team or committee will include at least two members with financial or investment expertise who are external to the Office of Trust Funds.

It is recognized, however, that for certain investment opportunities, a competitive search process is not appropriate or even possible. Examples might include opportunities in various alternative asset classes, such as Private Equity, Real Estate, Timber, or Opportunistic investments. In many of these cases, the investment structure is a limited partnership with one-time opening and closing dates.

Major Selection and Retention Criteria. Provided below are areas which should be of particular focus in the investment manager selection process. It should be noted that these same areas should be the focus of on-going evaluations.

- Level of integrity and honesty
- Cogency of investment thesis and implementation processes
- Ownership structure and diffusion of ownership and profit interests
- Firm culture and history
- Cogency of strategic direction for the firm
- Evidence and significance of competitive advantages
- Importance of the product to the manager's business
- Assets in the desired product/strategy, especially relative to the opportunity set
- Willingness to close products/strategies to maintain performance levels
- Alignment of interests (e.g., do managers co-invest significantly?)
- Risk control and management capabilities
- Sources of investment research and ideas (internal/proprietary vs. external)
- "Strategic partnering" potential
- Institutional focus
- Investment fees
- Long-term, risk-adjusted investment performance

Investment Vehicle Structures. There is to be no particular preference for the structure of an investment vehicle. Examples of different structures include separately-managed accounts, institutional mutual or other such commingled funds, limited partnerships, and limited liability companies. When there are opportunities to choose among different structures for a desired investment product, all aspects of their differences should be weighed in the decision-making process. Important differences might involve the following: investment minimums, fees and other costs, fee structure, liquidity, and legal/contractual provisions and protections.

Contracts. For separately-managed investment accounts, contracts or "investment management agreements" (IMAs) will generally be put into place. Individualized investment guidelines will also generally be made part of such IMAs. Such contracts or IMAs will be open-ended, with no set

termination date; however, UW will retain the right to terminate for any reason with a 30-day advance notice to the manager. (It is important to note that for separate accounts, the assets reside with the UW Trust Funds' custodian and are so-titled.) For vehicles such as limited partnerships, the contractual agreements are to be carefully reviewed by Counsel to ensure their appropriateness. Where possible, "side-letter" agreements, which provide further protections or clarifications, should be contemplated.

Termination Criteria. Essentially, termination is to be considered when a manager no longer adequately meets an established standard(s) under the selection and retention criteria. Additionally, any change in firm ownership, or in regard to key investment personnel, should be grounds for immediate reevaluation.

C. Avoiding Conflicts of Interest

General Expectations. It is expected that no UW officials will make, participate in making, or influence a decision in which the official has a financial interest. Also, the explicit separation of roles and responsibilities of the various fiduciaries as provided herein is intended to ensure sound investment practice and protect against real or perceived conflicts of interest, especially with regard to the selection of individual investments or investment managers. In particular, this involves the separation of investment policy-making and investment implementation.

Code of Ethics. The Office of Trust Funds adopts the Chartered Financial Analyst (CFA) Institute Code of Ethics and Standards of Professional Conduct for its internal investment staff. These are found at the following Web address: http://www.cfainstitute.org/centre/ethics/code/index.html and are incorporated by reference. Furthermore, external investment managers and professionals will be expected to either adopt the CFA Code or have similar codes of conduct in place.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Investment Policy Statement

IV. Evaluation

A. Monitoring and Measuring Success

Performance Expectations and Benchmarks.
Asset Class Level. Performance benchmarks for individual asset classes can be found in the Appendices which also provide Fund asset allocations (**Appendices 5, 6** and **7**).

Investment Manager Level. Each individual investment manager will be assigned an appropriate performance benchmark, which in many cases will be the same benchmark used for the entire asset class. In some cases, benchmarks which reflect a more appropriate sub-set of the broader asset class may be assigned. Performance comparisons relative to these benchmarks will be made not only on an absolute basis, but also on a risk-adjusted basis. Therefore, not only will investment returns be compared to benchmarks, but so too will various measures of portfolio risk (e.g., beta, duration, standard deviation of returns, Sharpe ratios, tracking error, information ratio, etc.). Finally, each investment manager will be compared to the median of an appropriate peer group, where available.

Fund Level.
Long Term Fund. Comparative benchmarks for the Long Term Fund as a whole are to be the following:
- Policy Allocation Index – calculated by replacing investment manager returns with their benchmark returns, which is to help gauge the success (or failure) of active management
- "70/30" Benchmark – defined as 55 percent S&P 500, 15 percent MSCI EAFE, and 30 percent Lehman Aggregate Bond Indexes, which is to represent a more traditional portfolio
- Spending Rate + HEPI + Expenses – which is to represent the "hurdle" rate for sustaining the endowment's purchasing power
- NACUBO Median – which is to reflect the average performance of similar-sized university endowments

Opportunistic Investment Category. There is no appropriate market or peer benchmarks for this investment category. However, the expectation for the category as a whole and over time, is that its inclusion will have enhanced the risk/return profile of the Fund (i.e., it will have provided for better risk-adjusted returns). Such evaluations should be periodically made to help determine whether the "opportunistic program" is adding value. ~~the performance objective for the category as a whole is to provide long-term returns of at least 300 basis points over the expected return achievable from the Fund's strategic policy portfolio, to do this on a better risk-adjusted basis, and to reflect medium to low correlation of returns with the broad public stock and bond markets.~~

Intermediate Term Fund.
- Policy Allocation Index – calculated by replacing investment manager returns with their benchmark returns, which is to help gauge the success (or failure) of active management
- Lehman Intermediate Aggregate Bond Index – which is to represent a more traditional intermediate "expendables" fund

On-Going Investment Manager Due Diligence. Due diligence does not end upon hiring an investment manager but is to continue throughout the life of the relationship. At a minimum, this on-going process is expected to include the following elements:
- Annual in-depth meetings with key investment and/or firm-level representatives
- In-depth meetings at managers' offices once every two to three years
- Attendance at client conferences and educational forums when available

- Open telephonic or electronic communication with key personnel as needed

Monitoring and Managing Expenses. As mentioned earlier in the *Implementation* section, it is the responsibility of the Office of Trust Funds to monitor and manage both external and internal expenses related to the administration and management of the Trust Funds. External fees for investment management and other products and services are to be reasonable and competitive with similar products or services available. Expenses relating to internal investment, administrative, and accounting activities are to be managed to reasonable and acceptable levels, as these expenses too are charged against the investment Funds.

B. Reporting and Communication Standards

Reporting Expectations. The following reports are to incorporate the performance evaluation and benchmarking information discussed previously. These reports are to be provided to the Board and the Committee on a routine basis:

- Quarterly Investment Reviews – which are to include detailed market commentaries, ~~and~~ investment performance data, and fund-level activities and transactions
- Annual Report – which is to provide annual data on sources and uses of the Funds, annual financial statements for the Trust Funds as a whole (consistent with the UW System's audited financial statements), and information on the external and internal expenses of the Office of Trust Funds
- Annual Endowment Peer Benchmarking Report – which is to provide investment performance data and other points of comparison for peer institutions
- Annual Investment Manager Due Diligence Reports – which are to be brief reports summarizing the most recent annual due diligence meetings, and are to highlight any areas of concern
- Annual Proxy Voting Reports - which are to provide the Committee with voting recommendations on proxy proposals and the voting results

These reports, with the exception of the manager due diligence reports, are also to be made publicly available via the Trust Funds' web site.

Other Communication Expectations. It is expected that if there is any significant adverse development in the management of the Funds during any interim periods, the Director of the Office of Trust Funds will immediately communicate such information to the Trust Officer/Vice President for Finance, who may then direct that it be communicated to the Committee Chair.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
Investment Policy Statement

Appendix 1

PRIMARY FIDUCIARY AND MANAGEMENT RESPONSIBILITIES OF THE BOARD

Wisconsin Statutes, Board policies and the terms of the gifts, grants, and bequests themselves provide the basic framework within which UW Trust Funds are managed and its fiduciary responsibilities are established. This appendix outlines the principal provisions in these areas.

Statutory Provisions.

Section 36.29, Wisconsin Statutes. Section 36.29, Wis. Stats., authorizes the Board to accept gifts, grants and bequests for the benefit or advantage of the UW System, and to administer the funds comprised of such donations. This statute also establishes several restrictions and requirements with respect to these funds:

(1) Gifts, grants and bequests must be executed and enforced according to the provisions of the legal instrument establishing the donation, including all provisions and directions in such an instrument for the accumulation of the income of any fund or rents and profits of any real estate without being subject to the limitations and restrictions provided by law in other cases, except that no such income accumulation can be allowed to produce a fund more than 20 times as great as that originally given;

(2) No investment of the funds of such gifts, grants, or bequests shall knowingly be made in any company, corporation, subsidiary, or affiliate that practices or condones through its actions discrimination on the basis of race, religion, color, creed, or sex;

(3) The board may not invest more than 85% of trust funds in common stocks;

(4) Any grant, contract, gift, endowment, trust or segregated funds bequeathed or assigned to an institution or its component parts for any purpose whatsoever shall not be commingled or reassigned.

UPMIFA, s. 112.11~~0~~, Wisconsin Statutes. The Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), codified in s. 112.11~~0~~, Wis. Stats., applies to institutional funds, defined as funds held by an institution exclusively for charitable purposes, ~~the endowment funds of institutions,~~ including governmental organizations and universities, organized and operated exclusively for educational, religious, charitable or other eleemosynary purposes. UPMIFA describes the standard of conduct in managing and investing an institutional fund; the appropriation for expenditure of endowment funds, providing various rules of construction here; the delegation of management and investment functions; the release or modification of restrictions on management, investment, or purpose; and states that the statute applies to institutional funds existing on or after August 4, 2009, governing only decisions and actions taken on or after that date. ~~the investment authority of an institution's governing board, allows for the delegation of investment management to committees of the governing board and to outside investment advisors, and establishes the standard of conduct for management decisions concerning the endowment funds.~~

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In general, UPMIFA grants broad authority to the institution ~~governing board~~ to invest and reinvest institutional funds, unless otherwise limited by the applicable gift instrument or law. The ~~governing board of an~~ institution may delegate its investment authority to its committees, its officers, or employees ~~of the institution~~, or to other outside investment managers or advisors. The institution ~~governing board~~ may also appropriate for expenditure a portion of the appreciated assets of an endowment ~~the~~ fund, and make other expenditures as permitted by law, relevant gift instruments or the institutional charter. With respect to managing and investing, delegating management and investment functions ~~authority~~, and making appropriations of appreciated assets, UPMIFA establishes the standard of fiduciary conduct that

the institution ~~governing board~~ must follow, requiring that the institution ~~board~~ "act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances."~~exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the action or decision."~~ Section 112.11~~0~~(3), (4), (5~~6~~), Wis. Stats.

UPMIFA further permits the release or modification of any restrictions on the use or investment of funds, if the donor gives written consent. ~~If the consent of the donor cannot be obtained by reason of death, disability, unavailability or impossibility of identification, t~~ The institution ~~governing board~~ also may apply to a state circuit court ~~for release~~ for modification of ~~such~~ a restriction~~.~~ regarding the management or investment of an institutional fund, "if the restriction has become impracticable or wasteful, if it impairs the management or investment of the fund, or if, because of circumstances not anticipated by the donor, a modification of a restriction will further the purposes of the fund…. To the extent practicable, any modification must be made in accordance with the donor's probable intention." Under similar circumstances, the institution may also apply to a circuit court to modify the purpose of the fund or a restriction on the use of the fund, "in a manner consistent with the charitable purposes expressed in the gift instrument." Lastly, release or modification for reasons described above regarding the purpose, management or investment of an institutional fund of less than $75,000 and more than 20 years old is permitted upon 60 days' notification to the attorney general. Section 112.11(6), Wis. Stats.

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Board Bylaws and Policies.
Bylaws and Regent Policy Document 31-2. The Board has, through its Bylaws, delegated authority to the Business, Finance, and Audit Committee to "have charge of consideration of all matters related to . . . trust funds, ..." (Chapter III, Section 3, Regent Bylaws.) In addition, the Committee has been delegated the authority to hire investment counsel, subject to Board approval, and to give discretionary authority to investment counsel in the purchase and sale of securities, "within guidelines determined by the Committee." The Board's Trust Officer (the Vice President for Business and Finance) has the duty to "receive, manage, and maintain records of all trust funds" to perform other duties required by law or assigned by the Board or Business, Finance, and Audit Committee (Chapter II, Section 8, Regent Bylaws).

Complementing these provisions in the Bylaws, Regent Policy Document (RPD) 31-2 expressly empowers the Committee to manage the Trust Funds, providing, in relevant part:

> The management and administration of University Trust Funds, . . . is delegated to the [Business, Finance, and Audit] Committee; the said Committee is authorized and empowered to do all things necessary within the limitations imposed by law or by the terms of the specific gifts and bequests accepted by the Board of Regents to administer the funds so received and under the control of the Regents in an efficient and prudent manner; the Business and Finance Committee is authorized, with the approval of the Board, to delegate such powers and responsibilities regarding the management and administration of University Trust Funds to the Trust Officer or other administrative officers or employees of the University as the Committee may in its judgment deem appropriate; the Committee is authorized to employ investment counsel; and the Trust Officer of the Regents is directed to keep a separate record of the actions taken by the Business and Finance Committee on all matters relating to University Trust Funds and to distribute memoranda of such actions as soon as practicable to all members of the Board of Regents for their confidential information.

Compliance with Donor Terms. It is incumbent upon the Board to ensure that gifts and bequests be "executed and enforced according to the provisions of the instrument making the same," s. 36.29, Wis. Stats. However, donor-imposed terms and conditions can sometimes impose practical problems;

contravene current University policies; or, in some cases, no longer be legal. As the vast majority of bequests coming to the Board of Regents are unsolicited gifts from deceased donors who have not worked with the University in crafting their gift instrument, the opportunity to prevent such problematic donor terms is limited. When such issues arise, whether in working with a living donor before the gift is made or "after the fact," the Trust Funds Office consults with the Office of General Counsel to determine appropriate actions consistent with Regent policy and applicable law.

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Appendix 2

SPENDING POLICY FOR THE LONG TERM FUND

The "spending policy" for an endowment specifies the methodology for determining what amounts are to be distributed for annual spending purposes. The policy should help ensure that the purchasing power of the endowment's corpus is maintained.

Current Policy. *(Effective July 1, 2005.)* A "rate" of distribution (percent of assets) that reflects an achievable and sustainable level of *real* investment returns is to be determined. *Real* investment returns are those achieved over and above the relevant rate of inflation. The most relevant rate of inflation for University-related costs is the Higher Education Price Index (HEPI). HEPI is expected to roughly equal the Consumer Price Index (CPI) plus one percent over time. The spending rate should also be applied in a manner that helps smooth the volatility of the dollar level of annual distributions that may otherwise result from Fund market value fluctuations.

The spending rate is to be *four percent (4%)* per annum. This percentage is to be *applied to a trailing three-year moving average of Fund market valuations* (12 quarterly valuations) to determine the dollar value of the annual distribution. Investment income from the Fund plus proceeds from security sales as needed may be used to provide the required distribution. Realized annual investment returns above (below) the spending rate, will increase (decrease) the market value of the Fund's corpus.

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Appendix 3

SUMMARY OF POLICIES ON PROXY VOTING AND "SOCIAL RESPONSIBILITY"

It should be noted that this appendix provides concise *summaries* of the various relevant Regent Policy documents; that is, the policies are not quoted in their entirety here.

Regent Policy 31-10: Procedures and Guidelines for Voting Proxies

"Routine" proxies will be voted by the respective external portfolio managers in accordance with each manager's proxy voting guidelines.

Routine issues include:
- Election of directors, unless the nominee has been found guilty in a criminal action
- Election of auditors
- Elimination of preemptive rights
- Adding or amending indemnification provisions in charters or by-laws
- Authorization to issue common stock under option and incentive plans, and other corporate purposes
- Outside director compensation (cash plus stock plans)

"Nonroutine" issues will be reviewed with the Business and Finance Committee to develop a position on how the proposals should be voted.

Non-routine issues include:
- Issues dealing with discrimination as defined in Ch 36.29 WI STATS and Regent Policies 31-6 and 31-7
- Issues dealing with the environment as defined in Regent Policy 31-5
- Issues relating to substantial social injury as defined in Regent Policy 31-13
- Stockholder proposals opposed by management and not supported by the portfolio managers
- Amendments to corporate charter or by-laws which might affect shareholder rights
- Acquisitions and mergers

Regent Policy 31-5: Investments and the Environment

- Recognition of UW's, state and federal governments' commitments to environmental protection.
- Expectation that companies invested in will evidence similar commitment.
- Persons/groups with evidence of a company not meeting these expectations can detail their concern and evidence to the Business and Finance Committee.
- Committee may then afford company opportunity to respond before deciding on any action.

Regent Policy 31-6: Investment of Trust Funds

- In accordance with state statutes, investments in any entity that practices or condones discrimination on the basis of race, religion, color, creed or sex shall be divested.

UNIVERSITY OF WISCONSIN SYSTEM TRUST FUNDS
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Regent Policy 31-7: Interpretation of Policy 31-6 Relating to Divestiture

- In effect, any entity that employs persons in nations, which by their laws discriminate as described in 31-6, shall be divested of.

Regent Policy 31-13: Investment and Social Responsibility

- Primary fiduciary responsibility is to maximize financial return, given an appropriate level of risk.
- Acknowledgement of importance of public concerns about corporate policies/practices that discriminate or cause "substantial social injury" and these concerns will be taken into account.
- To enhance Board awareness of social concerns, a proxy review will be conducted, so as to highlight relevant shareholder proposals and key issues.
- The Business~~, and~~ Finance, and Audit Committee will hold an annual forum to solicit public input.
- For donors who place a high priority on socially responsible investing, use of special investment vehicles will be explored.

Regent Policy 31-16: Sudan Divestment

- The Board wishes to join in concert with other institutional investors, states and other municipalities, and the U.S. government in restricting and discouraging business activity that provides support to the current government of Sudan, or otherwise abets acts of genocide or “ethnic cleansing” occurring in that country.
- Assets held in *separately managed accounts* shall not be invested in companies (“targeted companies”) which either directly or through an affiliated instrumentality meet the following criteria:
  - Provide revenues to the Sudanese government through business with the government, government-owned companies, or government-controlled consortiums.
  - Offer little substantive benefit to those outside of the Sudanese government.
  - Have either demonstrated complicity in the Darfur genocide or have not taken any substantial action to halt the genocide.
  - Provide military equipment, arms, or defense supplies to any domestic party in Sudan, including the Sudanese government and rebels.
- Non-investment in such companies will require divestment of current holdings and the screening out of such companies’ securities so as to prevent future investment in them.
- *Investment is permissible* in companies which, either directly or through an affiliated instrumentality, provide services clearly dedicated to social development for the whole country.
- Where invested assets are held in *commingled* or *mutual fund accounts*, letters are to be submitted to the contracted investment management firms requesting that the manager consider either adopting a similar Sudan-free investment policy for the existing fund, or consider creating a comparable separate commingled fund devoid of companies targeted as a result of this resolution. In the event that the manager introduces a comparable separate Sudan-free fund, the Board shall direct that all assets in the existing fund be transferred into the newly available, Sudan-free fund.

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Appendix 4

POLICY ON QUASI-ENDOWMENTS

Regent Policy 31-15: Policy on Quasi-Endowments

"That, upon recommendation of the President of the University of Wisconsin System, all new quasi-endowments greater than $250,000 where the donor is silent as to the expenditure of principal be identified as designated endowments, with only the income from the trust available for expenditure in accordance with the terms of the trust agreement. (However, where the donor explicitly states that the principal of the gift be made available for expenditure, this policy will not apply.) If an institution wants an exception to this proposed rule, the request for exception, with appropriate justification, should be contained in the institution's recommendation for acceptance and be incorporated in the Regent resolution. If at a later date, the institution wishes to seek an exception to the Regent imposed restriction, it should submit a request to the Office of the Vice President for Finance for consideration at the next meeting of the Business and Finance Committee."

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Appendix 5

ASSET ALLOCATIONS AND BENCHMARKS FOR THE LONG TERM FUND

Asset Allocations. (*Effective December 5, 2008.)*

	Target Strategic Allocations	Allowable Ranges
Global Tactical Asset Allocation	**N/A**	**N/A**
Growth and High-Yielding Assets		
U.S. Equities	**15.0%**	**10% - 20%**
Non-U.S. Equities	**12.5%**	**9% - 16%**
Emerging Market Equities	**10.0%**	**7% - 13%**
Private Equity	**10.0%**	**5% - 15%**
High Yield Debt	**7.5%**	**5% - 10%**
	55.0%	**40% - 70%**
Event Risk- and Deflation-Hedge Assets		
U.S. Bonds	**10.0%**	**7% - 13%**
U.S. Cash	**0.0%**	**0% - 10%**
Absolute Return	**10.0%**	**7% - 13%**
	20.0%	**15% - 35%**
Real and Inflation-Hedge Assets		
U.S. TIPS	**7.5%**	**5% - 10%**
Real Assets	**17.5%**	**12% - 23%**
	25.0%	**17% - 35%**
Opportunistic	**0.0%~~N/A~~**	**0% - 10%~~N/A~~**
	100.0%	

Asset Class Benchmarks. *(Effective September 7, 2007.)*

Asset Class	Benchmark
U.S. Equities	Russell 3000 Index
Non-U.S. Equities	MSCI EAFE Index
Emerging Market Equities	S&P/IFC Investable Composite
Private Equity	Composite of the following using actual portfolio weights:
Buyouts	Cambridge Private Equity Index
Venture Capital	Cambridge Venture Capital Index
High Yield Debt	Merrill Lynch High Yield BB/B
U.S. Bonds	Lehman Intermediate U.S. Treasury Index
U.S. Cash	1-Month Treasury Bill
Absolute Return	1-Month Treasury Bill + 300 basis points
U.S. TIPS	Lehman TIPS Index
Real Assets	Composite of the following using actual portfolio weights:
Private Real Estate	NCREIF Property Index
Public Real Estate	MSCI U.S. REIT Index
Timber	NCREIF Timber Index
Commodities	DJ-AIG Commodities Index (of spot prices)

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Appendix 6

TARGET ASSET ALLOCATIONS FOR THE LONG TERM FUND WITH GLOBAL TACTICAL ASSET ALLOCATION INCORPORATED

Asset Allocations. *(Effective December 5, 2008)*

	Target Allocations	Allowable Ranges
Global Tactical Asset Allocation	**25.0%**	**20% - 30%**
Growth and High-Yielding Assets		
U.S. Equities	**10.0%**	**7% - 13%**
Non-U.S. Equities	**8.0%**	**6% - 10%**
Emerging Market Equities	**6.5%**	**5% - 8%**
Private Equity	**10.0%**	**5% - 15%**
High Yield Debt	**5.0%**	**3% - 7%**
	39.5%	**30% - 50%**
Event Risk- and Deflation-Hedge Assets		
U.S. Bonds	**6.5%**	**5% - 8%**
U.S. Cash	**0.0%**	**0% - 10%**
Absolute Return	**6.5%**	**5% - 8%**
	13.0%	**10% - 25%**
Real and Inflation-Hedge Assets		
U.S. TIPS	**5.0%**	**3% - 7%**
Real Assets	**17.5%**	**12% - 23%**
	22.5%	**15% - 30%**
Opportunistic	**0.0%**	**0% - 10%**
	100.0%	

Additional Benchmarks. *(Effective September 7, 2007.)*

Strategy	Benchmark
Global Tactical Asset Allocation	60% MSCI World Index, 20% Citigroup 3-Month T-Bill, 20% Lehman Aggregate Bond Index
Opportunistic	There is no appropriate market index for this strategy; however, performance expectations are discussed in the *Evaluation* section.

Note: Given a dedicated allocation to GTAA, the strategic asset allocation targets shown in the prior appendix are applicable *only to that portion of the Fund not dedicated to GTAA.* Therefore, incorporating the GTAA component as a targeted allocation for the entire Fund requires that the dedicated Fund allocations to individual asset classes be adjusted proportionally downward. However, the desired allocations for those asset classes *not* represented at all in the portion of the Fund given over to GTAA are *not* adjusted but remain at their strategic allocation levels for the entire portfolio. Asset classes not currently represented in the GTAA component are Private Equity and Real Assets (this is due largely to their illiquidity and/or unusual ownership structure).

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Appendix 7

STRATEGIC ASSET ALLOCATIONS FOR THE INTERMEDIATE TERM FUND

Asset Allocations. *(Effective September 7, 2007.)*

	Target Strategic Allocations	Allowable Ranges
Growth and High-Yielding Assets		
U.S. Equities	**7.5%**	**6% - 9%**
Non-U.S. Equities	**7.5%**	**6% - 9%**
Emerging Market Equities	**0.0%**	**0% - 3%**
Private Equity	**0.0%**	**0%**
High Yield Debt	**5.0%**	**4% - 6%**
	20.0%	**15% -25%**
Event-Risk and Deflation-Hedge Assets		
U.S. Bonds	**40.0%**	**30% - 50%**
U.S. Cash	**10.0%**	**5% - 15%**
Absolute Return	**10.0%**	**8% - 12%**
	60.0%	**45% - 75%**
Real and Inflation-Hedge Assets		
U.S. TIPS	**20.0%**	**15% - 25%**
Real Assets	**0.0%**	**0%**
	20.0%	**15% - 25%**
	100.0%	

Asset Class Benchmarks. *(Effective September 7, 2007.)*

Asset Class	Benchmark
U.S. Equities	S&P 500 Stock Index
Non-U.S. Equities	MSCI EAFE Index
Emerging Market Equities	S&P/IFC Investable Composite
High Yield Debt	Merrill Lynch High Yield BB/B
U.S. Bonds	Lehman Intermediate Aggregate Bond Index
U.S. Cash	1-Month Treasury Bill
Absolute Return	1-Month Treasury Bill + 300 basis points
U.S. TIPS	Lehman TIPS Index

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Appendix 8

REBALANCING POLICY

General Policy and Practices. To maintain desired risk tolerance profiles, portfolio rebalancing to at least within allowable asset class exposures will be conducted no less frequently than quarterly. The purpose of rebalancing is to control risk and maintain the policy asset allocations within the ranges approved by the Committee and the Board. Minimizing transaction costs will be the focus when implementing rebalancing activities, and new cash flow will be utilized to the extent possible. Also, to the extent that multiple managers, strategies, styles, or "sub asset classes" are employed within a broad asset class, rebalancing to their target allocations should also take place. Rebalancing activities, or lack thereof, are to be regularly reported to the Committee.

Use of Derivatives. In unusual circumstances, derivatives may be used to affect certain rebalancings, when doing so by buying and selling actual portfolio holdings is deemed impractical, too costly, and/or too time-consuming. However, it is anticipated that such derivative positions would not be long-term in nature but would be unwound upon being able to transact in the underlying physical securities.

Illiquid Asset Classes. It is recognized that withdrawing from or adding to certain illiquid asset classes (e.g., Private Equity, Private Real Estate, Timber, etc.) for regular portfolio rebalancing purposes is generally not possible or practical. Therefore, these asset classes will generally be excluded from the regular rebalancing activities. However, on a longer-term basis, efforts will be made to maintain these asset classes at their targeted, or range-bound, levels.

Tactical Considerations. Maintaining or developing asset allocations *within the permissible ranges* will be at the discretion of the Director of the Office of Trust Funds. Generally, such decisions will be based on perceived relative valuations of asset classes and are expected to be consistent with the views of the Global Tactical Asset Allocation manager(s) and other "strategic partners."

"Ramping Up" and "Ramping Down" Asset Allocations. It is also recognized that as the Funds need to either add new asset classes or exit existing asset classes as a result of changes to the strategic asset allocation, taking considerable time to accomplish these changes may be required or warranted. This could be due either to the nature of the asset class (e.g., Private Equity) and/or concern about then-current valuation levels. In these cases, the Director of the Trust Funds Office has discretion as to the timing of these shifts and how assets are to be deployed in the interim. This may result in cases where actual asset allocations are not within their permissible ranges; however, such deviations are to be temporary in nature.

BUSINESS, FINANCE, AND AUDIT COMMITTEE

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the inclusion of the following language in all future Food Service requests for proposal:

> The new contractor will provide a 90-day fair trial period for current non-management employees seeking to continue employment. Employees will receive the compensation (wages and benefits) as established by the new contractor. The new contractor may realign staffing to best meet workload and budget requirements.

December 11, 2009 Agenda Item I.2.g.

FOOD SERVICE CONTRACTOR EMPLOYEE TRANSITIONS

EXECUTIVE SUMMARY

BACKGROUND

At the June and July 2009 meetings of the Business, Finance, and Audit Committee, the committee discussed and listened to public comments on a proposed food service contract. Part of the discussion focused on how new food service contractors hired food service workers once they were awarded a contract. The Committee and full Board asked that a review be conducted of this transition of contractor employees related to UW Food Service Contracts. The outcomes of the review by the Office of Operations Review and Audit were discussed with the Committee and full Board at its October meeting. Staff was asked to bring back language that the Committee could consider for action. (The October agenda item was for information.)

The following discussion extends the key points raised in October and offers added consideration for employees of a current contractor seeking to continue employment with a new contractor.

REQUESTED ACTION

Approval of Resolution I.2.g.

DISCUSSION

The Office of Operations Review and Audit was asked to research Request for Proposal (RFP) language related to food service vendors at higher education institutions nationally. In response, the office reviewed RFP and contract language used by the UW System and at 15 non-UW institutions. In addition, they contacted five major food service vendors and a consultant with over 25 years of food service expertise at institutions of higher education. A copy of their review is attached.

Based on their review, the Office of Operations Review and Audit found it was <u>not</u> standard industry practice to contractually require a new food service vendor to retain all employees of the previous vendor or to mandate specific wages or fringe benefits. Of the 15 non-UW institutions reviewed, only one provided for temporary employee trial periods of the prior vendor's employees. Two other institutions staffed their food service operations with their own employees, so they were not relevant for purposes of this review.

The food service consultant that was interviewed indicated that even when there is no specific language to transfer current contractor employees to a new contractor, employees are typically afforded the opportunity to retain their jobs with the new contractor, if it meets operational needs. She described a typical employee transition process as including:

- The Contractor holding a meeting to introduce vendor representatives and management to the current contractor employees
- Assuring that everyone will have the opportunity to compete for positions, while recognizing that some employees may choose to retire or leave employment
- Interviewing employees to determine experience and interest in positions
- Sharing hiring criteria with potential employees

In addition to this review, a cross functional group with UW experience in food service operations and food service vendors met to discuss possible contract language and its implications. UW institutional representatives included a business officer, auxiliary services director, and food service director. UW System representatives were from the Office of General Counsel, Human Resources, and Administrative Services/Procurement. The team noted the following:

- Contracted food service employees are skilled and needed by a new vendor so most new vendors seek to hire them when possible.
- Depending on a contractor's proposed program, a different number of employees may be needed than exists with current food programs.
- The team was not aware of problem transitions of employees between contractors over the past years.
- When a campus provides in-house food service, UW-employed food service workers are required by state regulations to compete for positions through the state's hiring process.
- UW-employed food service workers have a 60-day gap in health insurance when starting a new position.
- UW-employed food service workers currently have 8 days of furlough over each of the next two years.

In reviewing the term of labor agreements between the food service vendor and the local labor union, the following was noted:

- The UW System is legally not part of the labor agreement.
- If the new contractor hires a majority of the previous contractor's employees, the new contractor is required to bargain with any incumbent labor union.

Based on the above information, language will be inserted into all future Food Service Request for Proposals that will guarantee that all current contractor employees will be given a 90-day fair trial period. That is, the new vendor will accept all current non-management employees who seek to continue employment for a period not to exceed 90

days and at the wages and benefits established by the new vendor. The new contractor is expected to develop a resource and staffing plan that supports the requirements established by the university.

The new language will enhance the visibility of the current employees with the new contractor as staffing decisions are being made. The new contractor will benefit from the continuation of services as they finalize resource and strategic plans to match their program goals and budgets.

Proposed New Language
The new contractor will provide a 90-day fair trial period for current non-management employees seeking to continue employment. Employees will receive the compensation (wages and benefits) as established by the new contractor. The new contractor may realign staffing to best meet workload and budget requirements.

RELATED REGENT POLICIES

Regent Policy Document 13-3: Contracts: Authorization to Sign Documents

Office of Operations Review and Audit
780 Regent Street, Suite 210
Madison, Wisconsin 53715
(608) 263-3156 Fax: (608) 262-5316
website: http://www.uwsa.edu

DATE: September 4, 2009

TO: Ruth Anderson
Rich Lampe

FROM: Julie Gordon

SUBJECT: Food Service Vendor Procurement Language

The Office of Administrative Services asked us to research Request for Proposal (RFP) and contract language related to food service vendors at higher education institutions. This review was prompted by the Board of Regents' interest in labor issues for current employees when a new food service contractor is hired. Such issues primarily relate to employee retention, wages, benefits, and seniority.

Scope of Review

In response to this request, we reviewed RFP and contract language used by UW System in the past and 15 non-UW institutions. We contacted five major vendors that provide food service to higher education institutions. These included: Aramark, A'viands, Chartwell, Compass-USA, and Sodexo. Of these, we received responses from Aramark, A'viands, and Sodexo. We also interviewed a consultant with over 25 years of experience in negotiating contracts between food service vendors and higher education institutions.

Background

Students, parents, and higher education institutions have high expectations for quality food service. Institutions routinely compete with each other with respect to specialty, ethnic, and other food services to attract and retain students. St. Cloud State University's recognition of this is reflected in its recent RFP for food service, which included a number of goals and objectives to address these values and expectations:

> *"In summary, the successful proposal will illustrate high value and recognition of the University's character. The intent of the University is that the food service operation will:*
>
> - *Improve student retention.*
> - *Compliment and encourage on-campus living.*
> - *Be distinguished by very high satisfaction of students, faculty, staff and the University's guests.*
> - *Increase the volume of food service business on campus.*

- *Provide options for evening and weekend students, faculty, staff and visitors. Provide convenient grab and go options at various campus locations that meet busy and varied schedules.*
- *Provide flexible meal plans that offer seamless dining to students.*
- *Provide a financially stable base on which to build an improved program with greater flexibility and responsiveness.*
- *Provide catering that satisfies both student organizations as well as the high end needs of the president and levels in between.*
- *Recognize and use local producers and suppliers."*

At the same time, there is also increasing pressure to meet the demand for these services without increasing costs to the institution and its students. These expectations and the cost to deliver high quality services are relevant issues to the UW System as well.

RFP and Contract Provisions

In the past, the UW System included RFP and contract language to address the retention of current non-management employees, their rate of pay, and fringe benefits when a new food service vendor is hired. The following standardized language was approved by UW System Administration General Counsel and was most recently used in the UW-Superior procurement process in spring 2008:

> *7.22.1 Staffing*
> *"An adequate staff of employees shall be on duty for the efficient, prompt and sanitary service of food as well as to guarantee the efficient and accurate handling of financial records. Contractor shall employ on a three month fair trial period, commencing June 1 or August 15, present non-management food service employees at current wage and fringe, but only in such numbers as the contractor deems necessary. For valid reasons within the trial period, the University shall have the right to ask in writing for any employee to be removed from this account."*

However, some have indicated that the temporary employee retention period can be inconsistent with the need for flexibility in implementing new or specialized food service or in improving food service operations. According to the UW System Office of Procurement, the UW System would prefer to be silent regarding the retention, pay, and fringe benefits of current vendor employees.

While the UW System is currently not using such language in its food service RFPs and contracts, we found provisions for the temporary or permanent retention of employees at three other higher education institutions. St. Cloud State's RFP and contract provide for a 90-day trial period for the prior vendor's employees:

> *"The Contractor shall give fair employment, at no less than their existing rate of compensation, to any non-management employees of the current Contractor who seek such employment, for at least 90 calendar days from whence the employees commence work, in order to determine their ability to perform. After said 90 days have expired,*

there will be no further obligation of the Contractor to honor this commitment."

The other two institutions with retention provisions in their RFPs and contracts are slightly different, in that the employees are considered employees of the institution, not the food service vendor. In these cases, the institutions may assume a higher level of responsibility to the employees than if they were employed by the previous food service vendor. In both instances, no specific trial period is established. The procurement documents for Mills College (CA) indicate that:

> *"Retention of personnel as directed by University at current compensation rate, hire date, and basic schedule subject to adjustment as required. Contractor pays COBRA for gap between University layoff and benefit effective date at 3 months from hire date."*

The University of Minnesota-Twin Cities' contract language also requires that current union employees (teamsters) and students be retained:

> *"Where Teamsters are currently employed, the University will continue to employ these staff as Teamsters. The successful Respondent will manage these employees and reimburse the University for their wages and benefits. In 2.1 TCCD, all areas except Northrop will retain the Teamster employees. All of the coordinate campuses (2.6, 2.7, and 2.8) will retain Teamster staff and the Minnesota Landscape Arboretum (2.2) will as well."*
>
> *"All non-management employees (Union/Student) are on the University of Minnesota's payroll. All management employees are on Respondent payroll. Supervisors are considered management employees and on Respondent payroll."*
>
> *"In keeping with the University's policy of providing work experience for its students, the University desires that Respondent use students in its employ to the extent possible. Student workers will be the employees of the University and will be paid no less than the minimum rate established for University student workers. These expenses and benefits will be charged back to Respondent. The University shall have the right to limit the number of hours each student may work, the nature of the work performed and other conditions of employment that the University deems appropriate."*

We found in an April 2008 newspaper article that the University of California (UC)-Davis, UC-Irvine, Indiana University, and Kent State University have implemented this contract approach in which employees are university employees, but food service operations are managed by a vendor.

The UW System's food service RFPs and contracts, however, include language specifying that the vendor is responsible for personnel and staffing matters. Typically, the contractor also agrees to other provisions such as being compliant with all applicable state and federal laws, having adequate staff available, and meeting performance goals for provision of service to the university. The UW System language is as follows:

7.23.1 Personnel Staffing

"An adequate staff of employees shall be on duty for the efficient, prompt and sanitary service of food as well as to guarantee the efficient and accurate handling of financial records. The University shall, for valid reasons, have the right to ask in writing for any employee to be removed from this account."

7.23.3 Personnel Relations

"Personnel relations of employees on the contractor's payroll shall be the contractor's responsibility. The contractor shall comply with all applicable government regulations related to the employment, compensation, and payment of personnel."

The UW System language was developed to ensure that food services are provided in a cost efficient and legal manner. However, the UW System has reserved the right to intercede based upon an employee's misconduct.

Our review found similar language consistent with these principles in procurement documents for 11 of the 15 institutions we reviewed. One example can be found at Lansing Community College:

"……the Vendor must have an adequate number of its own non-management employees, which will be directed and supervised by the Vendor. These employees are considered employees of the agent, but must follow campus regulations regarding behavior and safety. The Vendor shall be responsible for the personnel actions of its employees, including recruitment, promotion, transfer, lay-off and termination. Vendor must have adequately trained relief personnel to substitute for absent regular employees."

Vendor and Consultant Perspective

According to the three responding vendors and a food service contract consultant, specific language requiring the contractor to retain current employees is generally viewed as becoming increasingly uncommon in the industry. However, the food service vendors indicated that with current and previous higher education clients, they have strived to be flexible in the negotiation process in honoring institution policies, principles, and current employee needs with respect to labor issues. For example, the representative from Sodexo (which has food vendor contracts with over 750 higher education institutions in the United States) noted that the company has worked with both union and non-union employees depending upon the campus setting and has worked, to the extent possible, to accommodate current employees with respect to retaining their jobs with wage, benefits, and other concessions. The A'viands representative noted that the company serves numerous facilities where employees are represented by unions and has good relationships with these unions.

The vendors indicated, however, that mandating certain wage agreements or insurance benefits is frequently very challenging because of fixed operation costs and agreements with insurers and other subcontractors that are already pre-determined. This was corroborated by Susan Wilkie, CEO of Wilkie Enterprises, who has served as a consultant in negotiating university contracts for

California and southwest institutions as well as other food contracts throughout the Midwest for the past 25 years.

Ms. Wilke indicated that even when there is no specific language to retain current employees, employees typically are afforded the opportunity to retain their jobs (if it meets operational needs), subject to an employee performance review that is conducted after a specified period of time. In her opinion, these staffing adjustments can often be positive where good employees are retained and service is improved. She described the typical process as follows:

- *A meeting is held to introduce vendor representatives and management to employees.*
- *Assurance is given that everyone will have the opportunity to compete for a position, based on experience, performance, and operational needs.*
- *Employees are interviewed to determine experience and interest in positions and are later assigned to a position.*
- *Evaluation criteria are reviewed with employees.*
- *Some employees may choose to retire or leave employment.*
- *Employees receive orientation to the new vendor and training in each position.*
- *Coaching continues, and employee performance is reviewed after a designated period of time.*

According to Ms. Wilkie, due process can be achieved if a transparent and fair process is used from the beginning to ensure that current employees are afforded the opportunity to retain their jobs at a reasonable, competitive wage based upon their job performance.

Conclusion

Based on our review, we found it is not a standardized industry practice to contractually require a new food service vendor to assume all employees of the previous vendor or to mandate specific wages or fringe benefits. Of the procurement documents we reviewed for 15 non-UW institutions, one provided for temporary employee trial periods of the prior vendor's employees, while two had provisions to require the retention of university employees. RFPs and contracts that offer vendors greater flexibility may allow those vendors to better meet the institution's food service needs in a competitive market where operation costs need to be contained.

For the majority of the institutions we reviewed, the vendor assumed responsibility for personnel, staff, and compliance requirements. University policies and local, state, and federal regulations can also help to ensure that employees are not being discriminated against or treated unfairly. This language can, and often is, placed into the contract.

cc: Deborah Durcan, Vice President for Finance
Jane Radue, Assistant Director, Operations Review and Audit
Tim McClain, Auditor, Operations Review and Audit

BUSINESS, FINANCE, AND AUDIT COMMITTEE

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents repeals Regent Policy Document 20-6 and recreates it to read as set forth in Attachment A.

December 11, 2009 Agenda Item I.2.h.

POLICY ON NON-MEDICAL LEAVES OF ABSENCE FOR UNCLASSIFIED STAFF

EXECUTIVE SUMMARY

BACKGROUND

Regent Policy Document (RPD) 20-6 sets forth the policy on leaves of absence without pay, for non-medical reasons, for members of the University of Wisconsin System's unclassified staff. The current policy is complex. It has proven difficult to administer, and has created barriers to granting leaves for unclassified staff wishing to participate in entrepreneurial activities, perform services at other UW System institutions, or engage in other forms of appointed and elective public service. The recently-presented Report of the Research to Jobs Task Force recommended that the policy be modified to allow greater flexibility for faculty to engage in startup company activities. The proposed action would repeal and recreate RPD 20-6 to provide greater clarity and to enhance the ability of campuses to provide leaves to unclassified staff members engaging in a variety of entrepreneurial and public service activities.

ACTION REQUESTED

Approval of Resolution I.2.h.

DISCUSSION

RPD 20-6 in its current form is the result of amendments and additions over a number of years that have been adopted to address both general reasons for taking leaves, and more specific reasons associated with leaves for accepting elective or appointive public service. The intent and proper interpretation of the policy have often proved difficult to determine, creating uncertainty in its application to individual leave requests. In addition, the policy sets different limits on the period of time for an initial leave, requiring approval by the UW System President and sometimes the Board of Regents for extensions.

In addition to the administrative difficulties created by the existing policy, it poses problems for unclassified staff members who may need longer leaves to engage in entrepreneurial activities. The Research to Jobs Task Force noted that involvement with startup companies typically requires significant time away from a staff member's regular duties, and recommended that the university's leave policy be amended to encourage granting leaves of adequate duration for that purpose.

The action proposed for adoption would repeal the existing policy and replace it with the policy set forth in Attachment A. The new policy allows chancellors to grant leaves of absence without pay for

a period up to five years, and identifies a number of appropriate—though not exclusive—reasons for granting leaves. The reasons listed include both entrepreneurial activities and those involving public service within and outside the UW System. The UW System President could grant extensions after five years, and would report annually to the Board of Regents on any such extensions granted.

The existing RPD 20-6 is included as Attachment B for comparison purposes.

RELATED REGENT POLICIES

Regent Policy Document 20-6: Leave of Absence Policy for Non-Medical Reasons and Leave of Absence Policy for Unclassified Employees Seeking or Accepting Political Office Appointments

Attachment A

University of Wisconsin System

Policy on Non-Medical Leaves of Absence for Unclassified Staff

Unclassified staff members possess talents, expertise, and interests that are often valued and sought after by organizations and governmental units outside the UW System, or by other institutions within the System. Granting leaves of absence in appropriate circumstances allows unclassified staff members to share these special skills with other entities, and can offer significant benefits both to the staff member's home institution and the outside organization by fostering collaborations and developing productive relationships among businesses, educational institutions, research organizations, and other branches of government. It is the policy of the Board of Regents to permit leaves of absences for non-medical reasons to be granted to unclassified staff members as follows:

I. The chancellor of each institution, after considering specific institutional needs, may grant an unclassified staff member a full- or part-time leave of absence without pay for non-medical reasons for a period up to five years.

II. A leave of absence granted under section I must specify the period and the percentage time of the leave.

III. A leave of absence under section I may be granted for reasons including, but not limited to, the following:

A. Allowing the unclassified staff member to engage in entrepreneurial activities such as forming companies or businesses related to or arising in connection with the unclassified staff member's institutional research or area of academic specialization;

B. Allowing the unclassified staff member to perform services for another UW System institution or UW System Administration;

C. Allowing the unclassified staff member to engage in public service as an elected or appointed official of local, state, or federal government;

D. Allowing the unclassified staff member to serve as a fellow of a research entity affiliated or engaged in research with a UW System institution;

E. Allowing the unclassified staff member to engage in activities similar or related to those enumerated in this section.

IV. Upon the recommendation of the chancellor, the UW System president may grant an unclassified staff member an extension of a leave of absence beyond five years for the reasons enumerated in section III.

V. The UW System president will report to the Board of Regents annually on the status and number of unclassified staff members whose leaves of absence have been extended beyond five years.

BOARD OF REGENTS

Regent Policy Documents

SECTION 20: FACULTY, ACADEMIC STAFF, AND TEACHING ASSISTANTS

20-6 LEAVE OF ABSENCE POLICY FOR NON-MEDICAL REASONS AND LEAVE OF ABSENCE POLICY FOR UNCLASSIFIED EMPLOYEES SEEKING OR ACCEPTING POLITICAL OFFICE OR APPOINTMENTS

(Formerly 89-8)

I. **General leave policy provisions for all leaves other than medical:**

A. A leave of absence cannot be open-ended but must be for a specified period of time.

B. Initial leaves for staff members of two years or less duration, or for the initial term of an elected or appointed government office not to exceed four years, may be approved by the appropriate chancellor. An initial three year leave or an extension of an initial two-year leave for a duration of up to three years must be approved by the University of Wisconsin System President.

C. Any extension beyond the third year, or beyond the initial four year term of elected or appointed government office, must receive specific approval of the Board and must be for a fixed period of time.

D. For other than an initial term of elected or appointed government office of up to four years, advance approval by the Board of Regents is required if the initial leave is for more than three years.

E. All leaves of absence carry an implicit agreement between the staff member and the university that the staff member will return to the university at the conclusion of the leave; each university will conclude with the affected staff member an agreement that failure to return to the university at the conclusion of the approved leave period constitutes a resignation from the university.

II. **Policy for employees engaging in political activity or seeking elective office:**

A. Service as an elected official on off-hour demand activities (e.g., school boards, city councils, county boards or local, state or national commissions) would not normally require a reduced appointment or leave of absence. Each case should be reviewed by the appropriate administrative supervisor.

B. No political campaigning activities shall be engaged in during hours when an employee is expected to be performing his or her regularly scheduled university duties. Further, as provided in recent state legislation, no officer or employee may solicit or receive or be involved in soliciting or receiving any contribution or service for any political purpose from any officer or employee of this state while on state time or engaged in his or her official duties as an officer or employee.

C. If a staff member chooses to enter a primary campaign, he or she, in consultation with the appropriate department chairman and dean, or director, should determine whether or not this activity will impair or encroach on performance of university duties. If it is determined that the activity will have an adverse effect, a reduced-time appointment should be arranged for the period of the primary campaign.

D. If a staff member is a candidate in a regular election, the provisions outlined in II.C, immediately above, should be followed with the expectation that a reduced-time appointment would be in order.

E. If a staff member is elected, and the time demands of the office would not allow continuance of full or part-time performance of university duties, he or she may

request a leave of absence under provisions of Section I. If a campus wishes to extend the leave of absence in this instance, justification should be advanced to the President of the System and the extension must receive the specific approval of the Board of Regents.

III. **Policy for employees serving as appointed officials:**

A. Service as an appointed official on off-hour demand activities (e.g., school boards, city councils, county boards or local, state or national commissions) would not normally require a reduced appointment or leave of absence. Each case should be reviewed by the appropriate administrative supervisor.

B. If a staff member accepts appointment to a political or educational office at the local, state, or national level, and the time demand of the office would not allow continuance of full or part-time performance of university duties, he or she may request a leave of absence under the provisions of Section I.

C. If a campus wishes to extend the leave of absence, justification should be advanced to the President of the System and the extension must receive the specific approval of the Board of Regents.

IV. **Policy for limited appointment employees seeking or accepting political office or appointments:**

A. Seeking paid political office:

If an administrator of the University of Wisconsin System holding a limited appointment wishes to seek nomination or election to a paid political office that would regularly require working during the normal hours, which the administrator maintains for the University of Wisconsin System, and if the administrator wishes to maintain his/her employment relationship with the university during such quest for office, then the administrator shall observe the following procedures: prior to announcing candidacy, or engaging in activity clearly constituting announcement of candidacy to an office of the type indicated above, the administrator must request from the Board reassignment from his/her limited appointment to any concurrent faculty or academic staff appointment held. Such activities as the following clearly constitute announcement of one's candidacy: the formation of a campaign committee, solicitation of campaign funds, or circulation of nomination papers. The Board shall require evidence that any such reassignment, not accompanied by an immediate leave without pay, requires the administrator to perform work useful to the University System, and appropriate to the compensation provided for the position. The Board shall grant reassignment only in the presence of such evidence. If reassignment is made and not joined to a concurrent granting of leave without pay, the reassigned employee shall thereafter be guided by the policies and procedures stated in I.A-E (above) as to requesting leave. Reassignment pursuant to a proposed quest for paid elective office shall not affect the eligibility of the employee, at the discretion of the Board, to return to his/her prior limited position, or to be appointed to an alternative limited position.

B. Serving in paid elective political office:

If the reassigned limited appointee is successful in winning the political office sought, the policies and procedures stated in Sections I. and II.E shall apply to the granting of leave of absence.

C. Serving in an appointive office:

The limited appointee wishing to accept an appointive political office shall couple an immediate request for leave without pay with his or her request for reassignment by the Board to his/her concurrent faculty or academic staff position. The policies and procedures stated in Sections I. and III. (above) shall apply to the granting of a leave of absence in such circumstances.

V. **Annual Report:**

The Vice President for Academic Affairs will make an annual report to the Board of Regents on the status of faculty and staff whose leaves have been extended beyond the third year, who are on leave serving as elected or appointed officials, and on the status of limited appointment employees who have been granted leave to serve in elected political office or appointed office.

History: Res. 5364 adopted 11/10/89; replaces 74-9, 78-3; amended by Res. 8457, 10/5/01.

Return to the policy index

The Regent Policy Documents were adopted and are maintained pursuant to the policy-making authority vested in the Board of Regents by Wis. Stats. § 36. The Regent Policy Documents manifest significant policies approved by the University of Wisconsin System Board of Regents. This document is a ready reference for those charged with carrying out these policies. Unless noted otherwise, associated documents and reports may be obtained from the Office of the Secretary of the Board of Regents, 1860 Van Hise Hall, 1220 Linden Drive, Madison, WI 53706, ph 608-262-2324. http://www.uwsa.edu/bor/policies/

December 10, 2009 Agenda Item I.2.i.2.

QUARTERLY REPORT OF GIFTS, GRANTS, AND CONTRACTS JULY 1, 2009 THROUGH SEPTEMBER 30, 2009

EXECUTIVE SUMMARY

BACKGROUND

Prior to 1993, the Board of Regents had been presented a detailed listing of all gift, grant, and contract awards received in the previous month. This reporting protocol was deemed overly labor intensive and information presented was easily misinterpreted. Very few gifts are given directly to the University; the vast majority of gift items listed in these reports represented a pass-through of funds raised by UW Foundations. In addition, reported grant and contract awards frequently span several years, making the monthly figures reported somewhat misleading to the uninformed reader.

In February 1993, the Board adopted a plan for summary reporting on a monthly basis, delegating to the UW System Vice President for Finance acceptance of contracts with for-profit entities where the consideration involved was less than $200,000. Contracts in excess of $200,000 were required to come to the Board prior to execution. This $200,000 threshold was increased to $500,000 at the Board's September 4, 1997 meeting.

At this same September 4, 1997 meeting, it was noted that, while the monthly summary reporting from UW institutions will continue, the Vice President for Finance will present the information to the Board on a quarterly, rather than monthly, basis. These quarterly summary reports have been presented to the Business, Finance, and Audit Committee since that time and have generally been accompanied by a brief explanation of significant changes.

REQUESTED ACTION

No action is required; this item is for information only.

DISCUSSION

Attached is a summary report of gifts, grants, and contracts awarded to University of Wisconsin System institutions in the three month period July 1, 2009 through September 30, 2009. Total gifts, grants, and contracts for the period were $584.4 million; this is an increase of $136.5 million over the same period in the prior year. Federal awards increased $171.5 million while non-federal awards decreased by $35.0 million.

The large increase in federal awards was primarily driven by substantially increased research funding opportunities associated with the American Recovery and Reinvestment Act (ARRA). While non-federal awards decreased nearly across the board, the declines result mostly from a significant jump in such funding during the prior year. Significant awards from the Wisconsin Alumni Research Foundation (WARF) and other UW Foundations which were received in the prior year were not repeated in the current year.

RELATED REGENT POLICIES

Regent Resolution Number 7548 dated September 4, 1997

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2009-2010 - First Quarter

FISCAL YEAR 2009-2010	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
Total	**28,249,187**	**31,032,464**	**2,735,848**	**40,405,582**	**10,676,756**	**392,888,014**	**78,406,575**	**584,394,426**
Federal	**19,404,491**	**25,997,352**	**0**	**8,427,384**	**0**	**297,652,941**	**76,507,928**	**427,990,096**
Nonfederal	**8,844,696**	**5,035,112**	**2,735,848**	**31,978,198**	**10,676,756**	**95,235,073**	**1,898,647**	**156,404,330**
FISCAL YEAR 2008-2009								
Total	**26,923,416**	**23,527,172**	**444,540**	**46,161,759**	**13,758,061**	**271,487,626**	**65,568,706**	**447,871,280**
Federal	**16,016,612**	**16,167,625**	**0**	**4,316,218**	**0**	**159,171,000**	**60,821,827**	**256,493,282**
Nonfederal	**10,906,804**	**7,359,547**	**444,540**	**41,845,541**	**13,758,061**	**112,316,626**	**4,746,879**	**191,377,998**
INCREASE(DECREASE)								
Total	**1,325,771**	**7,505,291**	**2,291,308**	**(5,756,177)**	**(3,081,305)**	**121,400,388**	**12,837,870**	**136,523,146**
Federal	**3,387,879**	**9,829,727**	**0**	**4,111,166**	**0**	**138,481,941**	**15,686,101**	**171,496,814**
Nonfederal	**(2,062,108)**	**(2,324,436)**	**2,291,308**	**(9,867,343)**	**(3,081,305)**	**(17,081,553)**	**(2,848,231)**	**(34,973,668)**

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2009-2010 - First Quarter

FISCAL YEAR 2009-2010	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
Madison	5,262,848	19,071,918	2,069,096	28,086,413	9,331,338	368,445,388	3,942,453	436,209,454
Milwaukee	1,896,501	3,099,430	665,752	886,000	0	14,314,861	12,393,816	33,256,359
Eau Claire	797,200	785,205	0	0	1,300,000	418,871	6,766,912	10,068,188
Green Bay	301,008	660,141	0	123,092	1,500	1,293,198	4,021,127	6,400,066
La Crosse	545,905	295,029	0	922,041	0	1,259,453	4,711,627	7,734,055
Oshkosh	3,685,573	5,890,891	0	0	0	1,332,316	6,822,308	17,731,088
Parkside	1,626,924	473,168	0	0	0	87,864	3,623,314	5,811,270
Platteville	620,796	7,575	0	4,433,508	0	3,620	4,255,020	9,320,519
River Falls	2,644	4,230	0	1,390,205	0	83,113	3,921,900	5,402,092
Stevens Point	2,484,556	29,784	0	32,538	0	2,751,858	7,095,966	12,394,702
Stout	2,887,718	106,833	0	1,637,579	0	0	5,652,926	10,285,055
Superior	0	0	0	720,295	0	2,498,397	2,512,913	5,731,605
Whitewater	110,589	12,623	0	1,602,967	43,918	76,653	5,932,829	7,779,577
Colleges	2,100	70,987	1,000	357,332	0	16,977	6,753,465	7,201,861
Extension	8,024,826	0	0	0	0	0	0	8,024,826
System-Wide	0	524,651	0	213,613	0	305,445	0	1,043,709
Totals	**28,249,187**	**31,032,464**	**2,735,848**	**40,405,582**	**10,676,756**	**392,888,014**	**78,406,575**	**584,394,426**
Madison	4,369,897	14,562,878	0	1,655,378	0	277,252,717	2,395,556	300,236,425
Milwaukee	894,522	2,912,766	0	0	0	12,192,901	12,392,116	28,392,305
Eau Claire	795,911	780,419	0	0	0	382,318	6,766,912	8,725,560
Green Bay	299,408	629,916	0	17,040	0	1,113,717	4,020,627	6,080,708
La Crosse	4,365	152,851	0	911,741	0	914,613	4,711,627	6,695,197
Oshkosh	2,693,603	5,890,891	0	0	0	1,112,871	6,809,292	16,506,657
Parkside	1,497,691	391,278	0	0	0	0	3,614,304	5,503,273
Platteville	594,945	0	0	1,002,381	0	0	4,255,020	5,852,346
River Falls	0	0	0	1,296,668	0	53,637	3,919,900	5,270,205
Stevens Point	2,254,750	0	0	0	0	2,104,948	7,095,966	11,455,664
Stout	2,860,464	99,215	0	1,251,589	0	0	5,652,926	9,864,194
Superior	0	0	0	720,295	0	2,210,000	2,512,913	5,443,208
Whitewater	29,155	0	0	1,224,580	0	72,410	5,931,027	7,257,173
Colleges	0	67,487	0	197,712	0	16,977	6,429,742	6,711,918
Extension	3,109,780	0	0	0	0	0	0	3,109,780
System-Wide	0	509,651	0	150,000	0	225,832	0	885,483
Federal Totals	**19,404,491**	**25,997,352**	**0**	**8,427,384**	**0**	**297,652,941**	**76,507,928**	**427,990,096**
Madison	892,951	4,509,040	2,069,096	26,431,035	9,331,338	91,192,671	1,546,897	135,973,029
Milwaukee	1,001,979	186,664	665,752	886,000	0	2,121,960	1,700	4,864,054
Eau Claire	1,289	4,786	0	0	1,300,000	36,553	0	1,342,628
Green Bay	1,600	30,225	0	106,052	1,500	179,481	500	319,358
La Crosse	541,540	142,178	0	10,300	0	344,840	0	1,038,858
Oshkosh	991,970	0	0	0	0	219,445	13,016	1,224,431
Parkside	129,233	81,890	0	0	0	87,864	9,010	307,997
Platteville	25,851	7,575	0	3,431,127	0	3,620	0	3,468,173
River Falls	2,644	4,230	0	93,537	0	29,476	2,000	131,887
Stevens Point	229,806	29,784	0	32,538	0	646,910	0	939,038
Stout	27,254	7,618	0	385,990	0	0	0	420,861
Superior	0	0	0	0	0	288,397	0	288,397
Whitewater	81,434	12,623	0	378,386	43,918	4,243	1,802	522,405
Colleges	2,100	3,500	1,000	159,620	0	0	323,723	489,943
Extension	4,915,046	0	0	0	0	0	0	4,915,046
System-Wide	0	15,000	0	63,613	0	79,613	0	158,226
Nonfederal Totals	**8,844,696**	**5,035,112**	**2,735,848**	**31,978,198**	**10,676,756**	**95,235,073**	**1,898,647**	**156,404,330**

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2009-2010 - First Quarter

	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
FISCAL YEAR 2008-2009								
Madison	10,505,282	14,921,070	413,455	40,202,969	13,758,007	251,162,879	17,533,190	348,496,852
Milwaukee	3,350,353	2,325,653	25,085	720,050	0	8,673,969	1,505,055	16,600,165
Eau Claire	486,272	707,828	0	0	0	996,378	5,039,017	7,229,495
Green Bay	23,696	7,200	0	5,060	0	1,470,445	2,769,094	4,275,495
La Crosse	228,576	300,199	6,000	0	0	646,040	3,329,344	4,510,159
Oshkosh	1,647,095	4,166,295	0	0	0	428,392	4,694,490	10,936,272
Parkside	25,685	29,151	0	35,290	0	76,548	3,850,308	4,016,982
Platteville	185,517	0	0	0	0	0	3,884,722	4,070,239
River Falls	22,219	72,545	0	1,095,670	0	350	2,949,925	4,140,709
Stevens Point	2,451,853	267,195	0	332,072	0	2,811,493	5,298,339	11,160,952
Stout	887,194	91,103	0	1,635,643	0	46,729	4,290,490	6,951,159
Superior	0	0	0	0	0	4,813,804	1,857,764	6,671,568
Whitewater	15,427	5,556	0	1,983,759	54	257,389	4,255,980	6,518,165
Colleges	1,750	25,785	0	151,246	0	45,930	4,310,988	4,535,699
Extension	7,092,497	0	0	0	0	0	0	7,092,497
System-Wide	0	607,592	0	0	0	57,280	0	664,872
Totals	**26,923,416**	**23,527,172**	**444,540**	**46,161,759**	**13,758,061**	**271,487,626**	**65,568,706**	**447,871,280**
Madison	5,096,148	8,253,871	0	709,109	0	141,434,590	13,693,214	169,186,932
Milwaukee	2,476,749	2,263,244	0	0	0	7,268,528	1,273,416	13,281,937
Eau Claire	486,272	707,828	0	0	0	927,958	5,039,017	7,161,075
Green Bay	0	0	0	5,060	0	1,417,730	2,734,055	4,156,845
La Crosse	50,889	296,699	0	0	0	470,103	3,328,969	4,146,660
Oshkosh	1,375,630	3,804,636	0	0	0	199,187	4,694,490	10,073,943
Parkside	8,402	0	0	5,000	0	0	3,755,708	3,769,110
Platteville	169,517	0	0	0	0	0	3,884,722	4,054,239
River Falls	9,562	0	0	968,847	0	0	2,924,639	3,903,048
Stevens Point	2,239,000	117,001	0	286,053	0	2,336,245	5,298,339	10,276,638
Stout	748,450	90,969	0	1,406,265	0	46,729	4,270,340	6,562,753
Superior	0	0	0	0	0	4,750,364	1,857,764	6,608,128
Whitewater	0	0	0	919,159	0	253,886	4,202,881	5,375,926
Colleges	0	25,785	0	16,725	0	8,400	3,864,273	3,915,183
Extension	3,355,993	0	0	0	0	0	0	3,355,993
System-Wide	0	607,592	0	0	0	57,280	0	664,872
Federal Totals	**16,016,612**	**16,167,625**	**0**	**4,316,218**	**0**	**159,171,000**	**60,821,827**	**256,493,282**
Madison	5,409,134	6,667,199	413,455	39,493,860	13,758,007	109,728,289	3,839,976	179,309,920
Milwaukee	873,604	62,409	25,085	720,050	0	1,405,441	231,639	3,318,228
Eau Claire	0	0	0	0	0	68,420	0	68,420
Green Bay	23,696	7,200	0	0	0	52,715	35,039	118,650
La Crosse	177,687	3,500	6,000	0	0	175,937	375	363,499
Oshkosh	271,465	361,659	0	0	0	229,205	0	862,329
Parkside	17,283	29,151	0	30,290	0	76,548	94,600	247,872
Platteville	16,000	0	0	0	0	0	0	16,000
River Falls	12,657	72,545	0	126,823	0	350	25,286	237,661
Stevens Point	212,853	150,194	0	46,019	0	475,248	0	884,314
Stout	138,744	134	0	229,378	0	0	20,150	388,406
Superior	0	0	0	0	0	63,440	0	63,440
Whitewater	15,427	5,556	0	1,064,600	54	3,503	53,099	1,142,239
Colleges	1,750	0	0	134,521	0	37,530	446,715	620,516
Extension	3,736,504	0	0	0	0	0	0	3,736,504
System-Wide	0	0	0	0	0	0	0	0
Nonfederal Totals	**10,906,804**	**7,359,547**	**444,540**	**41,845,541**	**13,758,061**	**112,316,626**	**4,746,879**	**191,377,998**

UNIVERSITY OF WISCONSIN SYSTEM
GIFTS, GRANTS AND CONTRACTS AWARDED - BY INSTITUTION
QUARTERLY REPORT & PRIOR-YEAR COMPARISON
FISCAL YEAR 2009-2010 - First Quarter

	Public Service	Instruction	Libraries	Misc	Phy Plt	Research	Student Aid	Total
INCREASE (DECREASE)								
Madison	(5,242,434)	4,150,848	1,655,641	(12,116,556)	(4,426,669)	117,282,509	(13,590,737)	87,712,602
Milwaukee	(1,453,852)	773,777	640,667	165,950	0	5,640,892	10,888,761	16,656,194
Eau Claire	310,928	77,377	0	0	1,300,000	(577,507)	1,727,895	2,838,693
Green Bay	277,312	652,941	0	118,032	1,500	(177,247)	1,252,033	2,124,571
La Crosse	317,329	(5,170)	(6,000)	922,041	0	613,413	1,382,283	3,223,896
Oshkosh	2,038,478	1,724,596	0	0	0	903,924	2,127,818	6,794,816
Parkside	1,601,239	444,017	0	(35,290)	0	11,316	(226,994)	1,794,288
Platteville	435,279	7,575	0	4,433,508	0	3,620	370,298	5,250,280
River Falls	(19,575)	(68,315)	0	294,535	0	82,763	971,975	1,261,383
Stevens Point	32,703	(237,411)	0	(299,534)	0	(59,635)	1,797,627	1,233,750
Stout	2,000,524	15,730	0	1,936	0	(46,729)	1,362,436	3,333,896
Superior	0	0	0	720,295	0	(2,315,407)	655,149	(939,963)
Whitewater	95,162	7,066	0	(380,793)	43,864	(180,736)	1,676,849	1,261,412
Colleges	350	45,202	1,000	206,086	0	(28,953)	2,442,477	2,666,162
Extension	932,329	0	0	0	0	0	0	932,329
System-Wide	0	(82,941)	0	213,613	0	248,165	0	378,837
Totals	**1,325,771**	**7,505,291**	**2,291,308**	**(5,756,177)**	**(3,081,305)**	**121,400,388**	**12,837,870**	**136,523,146**
Madison	(726,251)	6,309,007	0	946,269	0	135,818,127	(11,297,658)	131,049,493
Milwaukee	(1,582,227)	649,522	0	0	0	4,924,373	11,118,700	15,110,368
Eau Claire	309,639	72,591	0	0	0	(545,640)	1,727,895	1,564,485
Green Bay	299,408	629,916	0	11,980	0	(304,013)	1,286,572	1,923,863
La Crosse	(46,524)	(143,848)	0	911,741	0	444,510	1,382,658	2,548,537
Oshkosh	1,317,973	2,086,255	0	0	0	913,684	2,114,802	6,432,714
Parkside	1,489,289	391,278	0	(5,000)	0	0	(141,404)	1,734,163
Platteville	425,428	0	0	1,002,381	0	0	370,298	1,798,107
River Falls	(9,562)	0	0	327,821	0	53,637	995,261	1,367,157
Stevens Point	15,750	(117,001)	0	(286,053)	0	(231,297)	1,797,627	1,179,026
Stout	2,112,014	8,246	0	(154,676)	0	(46,729)	1,382,586	3,301,441
Superior	0	0	0	720,295	0	(2,540,364)	655,149	(1,164,920)
Whitewater	29,155	0	0	305,421	0	(181,476)	1,728,146	1,881,247
Colleges	0	41,702	0	180,987	0	8,577	2,565,469	2,796,735
Extension	(246,213)	0	0	0	0	0	0	(246,213)
System-Wide	0	(97,941)	0	150,000	0	168,552	0	220,611
Federal Totals	**3,387,879**	**9,829,727**	**0**	**4,111,166**	**0**	**138,481,941**	**15,686,101**	**171,496,814**
Madison	(4,516,183)	(2,158,159)	1,655,641	(13,062,825)	(4,426,669)	(18,535,618)	(2,293,079)	(43,336,891)
Milwaukee	128,375	124,255	640,667	165,950	0	716,519	(229,939)	1,545,826
Eau Claire	1,289	4,786	0	0	1,300,000	(31,867)	0	1,274,208
Green Bay	(22,096)	23,025	0	106,052	1,500	126,766	(34,539)	200,708
La Crosse	363,853	138,678	(6,000)	10,300	0	168,903	(375)	675,359
Oshkosh	720,505	(361,659)	0	0	0	(9,760)	13,016	362,102
Parkside	111,950	52,739	0	(30,290)	0	11,316	(85,590)	60,125
Platteville	9,851	7,575	0	3,431,127	0	3,620	0	3,452,173
River Falls	(10,013)	(68,315)	0	(33,286)	0	29,126	(23,286)	(105,774)
Stevens Point	16,953	(120,410)	0	(13,481)	0	171,662	0	54,724
Stout	(111,490)	7,484	0	156,612	0	0	(20,150)	32,455
Superior	0	0	0	0	0	224,957	0	224,957
Whitewater	66,007	7,066	0	(686,214)	43,864	740	(51,297)	(619,834)
Colleges	350	3,500	1,000	25,099	0	(37,530)	(122,992)	(130,573)
Extension	1,178,542	0	0	0	0	0	0	1,178,542
System-Wide	0	15,000	0	63,613	0	79,613	0	158,226
Nonfederal Totals	**(2,062,108)**	**(2,324,436)**	**2,291,308**	**(9,867,343)**	**(3,081,305)**	**(17,081,553)**	**(2,848,231)**	**(34,973,668)**

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.3. Capital Planning and Budget Committee

Thursday, December 10, 2009
Class of '24 Reception Room,
4th Floor East Wing
UW-Madison Memorial Union
Madison, Wisconsin

10:00 a.m. All Regents – Main Lounge, 2nd Floor Central

- Presentation by UW-Madison Chancellor Carolyn "Biddy" Martin: A World-Class Research University – For Wisconsin and the World

11:00 a.m. All Regents – Main Lounge, 2nd Floor Central

- Discussion: Quality, Affordability, and Differential Tuition

12:00 p.m. Lunch – Great Hall, 4th Floor Central

1:00 p.m. Joint Meeting of the Capital Planning and Budget Committee and the Business, Finance & Audit Committee – Class of '24 Reception Room, 4th Floor East Wing

a. UW Colleges Report on City and County Financial Support

b. Presentation: Energy Conservation and Renewable Energy Projects

- Operations Review and Audit: Program Review on UW Energy Conservation Efforts, Practices, and Strategy

2:00 p.m. Capital Planning and Budget – Memorial Union, Inn Wisconsin East & West, 2nd Floor East Wing

c. UW-Madison Presentation: Building for Our Future – An Update on the Progress of the 2005 Campus Master Plan

d. Approval of the Minutes of the October 15, 2009 Meeting of the Capital Planning and Budget Committee

e. UW-Madison: Authority to Seek a Waiver of s. 16.855, Wis. Stats., to Enable Madison Gas and Electric Company to Design-Build a Walnut Substation Upgrade Project and Authority to Construct the Project
[Resolution I.3.e.]

f. UW-Madison: Authority to Lease Space for the McBurney Disability Resource Center and the Division of Enrollment Management
[Resolution I.3.f.]

g. UW-Madison: Authority to Adjust the Budget of the Microbial Sciences Building Project
[Resolution I.3.g.]

h. UW-Milwaukee: Approval of the Design Report and Authority to Construct the Central Chiller Installation Project
[Resolution I.3.h.]

i. UW-Milwaukee: Master Plan Initiative Expenditure Plan
[Resolution I.3.i.]

j. UW System: Authority to Construct Maintenance and Repair Projects
[Resolution I.3.j.]

k. Report of the Assistant Vice President
1. Building Commission Actions
2. Other

l. Additional items which may be presented to the Committee with its approval

Authority to Seek a Waiver of s. 16.855, Wis. Stats., to Enable Madison Gas and Electric Company to Design-Build a Walnut Substation Upgrade Project and Authority to Construct the Project, UW-Madison

CAPITAL PLANNING AND BUDGET COMMITTEE

Resolution:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to seek a waiver of s. 16.855 to enable Madison Gas & Electric (MGE) to design-build a Walnut Substation Upgrade project and authority to construct this project at an estimated total project cost of $4,680,000 ($3,697,200 General Fund Supported Borrowing and $982,800 Program Revenue Supported Borrowing).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
December 2009

1. Institution: The University of Wisconsin-Madison

2. Request: Authority to seek a waiver of s. 16.855 to enable Madison Gas & Electric (MGE) to design-build a Walnut Substation Upgrade project and authority to construct this project at an estimated total project cost of $4,680,000 ($3,697,200 General Fund Supported Borrowing and $982,800 Program Revenue Supported Borrowing).

3. Description and Scope of Work: This project will install a 30 mVA, 69 kV-13.8 kV transformer, a 13.8 kV switchgear, and construct an approximate 8,600 GSF two-story plus basement switchgear building in the Walnut Substation yard located just east of the Walnut Street Heating and Cooling Plant. The new building will house MGE and UW cable galleries in the basement, MGE switchgear on the first floor, and UW switchgear on the second floor. The MGE transformer will be installed on a concrete pad and associated bussing will be erected on an overhead steel structure. Power cabling connecting the existing American Transmission Company (ATC) 69 kV service facility, the MGE transformer and buss, the MGE/UW switchgear building and the respective MGE and UW distribution networks will be installed in underground concrete encased conduits. The new switchgear building will have ventilation and heating equipment for the removal of excessive heat and moisture control.

   MGE, ATC, and UW-Madison have facilities inside the Walnut Substation fence. MGE was granted authority to install facilities on university property (Walnut Substation) under a 1973 Substation Easement. In 2001, MGE's transmission assets were transferred to ATC and MGE partially assigned its interest in the 1973 Substation Easement to ATC. A Memorandum of Understanding between MGE and the UW-Madison campus was drafted to define certain relationships including the retention and payment of an engineering design firm, construction implementation and the assignment of cost, and the respective rights and obligations related to ownership, use, and maintenance. DSF reviewed this agreement and supports its terms.

4. Justification of the Request: All facilities west of Willow Creek are fed from the Walnut Substation. This area of campus has experienced significant growth of new facilities and additions to existing facilities. Most of these facilities are energy intensive due to the medical and/or research programs housed within them. This situation has placed a significant load on the substation. If the aging MGE and UW substation equipment were to fail, there would be no backup equipment readily available and the buildings could experience an extended power outage.

   The 2005 Campus Utility Master Plan recommended the construction of a new substation to be located on the southwest side of the Clinical Science Center. This additional supply point would provide additional supply capacity to the UW electrical system, increase the reliability to serve existing loads, and provide alternate power sources for future buildings. Alternative power

sources are necessary to obtain certifications, to establish grant eligibility, and to meet the needs of the research programs.

A request to construct a new substation was submitted as part of the UW System 2009-11 Capital Budget and $6,966,000 was enumerated in the state budget for that project. Subsequently, MGE decided to install another transformer and associated switchgear in the Walnut Substation to provide additional capacity to serve their customers located in the near west side of the city. As part of ongoing electrical utility planning by MGE, UW-Madison, UW System, and the Division of State Facilities (DSF), a decision was reached that the university should partner with MGE in their substation project in lieu of constructing a new university substation. Partnering in the MGE project will provide the university with additional capacity beyond that proposed under the new substation project and it will cost less than the original enumeration for this project. It will also provide the needed reliability and redundancy.

Since no significant environmental impact or controversy is anticipated, this project has been classified as Type III under the Wisconsin Environmental Policy Act (WEPA). The WEPA documentation has been completed and no further action is required.

5. Budget and Schedule: The construction estimate of MGE's engineering firm, the DSF fee, and the project contingency are as follows:

Construction	$4,000,000
Contingency (15%)	600,000
DSF (2%)	80,000
Total Estimated Project Cost	$4,680,000

Schedule	Date
Project Approval	December 2009
Bid Date	April 2010
Start of Construction	May 2010
Substantial Completion	July 2011
Final Completion	December 2011

6. Previous Action:

August 22, 2009 Resolution 9529	Recommended that the West Campus Back-up Electrical Supply project be submitted to the Department of Administration and the State Building Commission as part of the 2009-11 Capital Budget at a total estimated cost of $6,966,000 ($5,503,100 General Fund Supported Borrowing and $1,462,900 Program Revenue Supported Borrowing). The project was subsequently enumerated at that level with those funding sources.

Authority to Lease Space for the McBurney Disability Resource Center and the Division of Enrollment Management, UW-Madison

CAPITAL PLANNING AND BUDGET COMMITTEE

Resolution:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted for the Department of Administration to execute a lease with an option to purchase for 26,791 gross square feet of space on two levels at 702 West Johnson Street, University Square, Madison, Wisconsin, on behalf of the UW-Madison Dean of Students' Office (McBurney Disability Resource Center) and Division of Enrollment Management (Office of Admissions).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
December 2009

1. Institution: The University of Wisconsin-Madison

2. Request: Authority for the Department of Administration to execute a lease with an option to purchase for 26,791 gross square feet of space on two levels at 702 West Johnson Street, University Square, Madison, Wisconsin, on behalf of the UW-Madison Dean of Students' Office (McBurney Disability Resource Center) and Division of Enrollment Management (Office of Admissions).

   Lessor: Executive Management, Inc. (EMI)
   2702 International Lane
   Madison, WI 53704

3. Lease Information: The proposed lease at 702 West Johnson Street covers 26,791 GSF of space for the period beginning August 1, 2010 or date of occupancy, through August 1, 2020, at an annual rate of $596,100 ($22.25/GSF). The lease provides for two five-year renewal options from August 1, 2020 with a 365 day written notice to review.

   The Lessor is responsible for all trash pickup, exterior repairs and maintenance, real estate taxes, building insurance and maintenance of the loading dock area. The Lessee will be responsible for janitorial, utilities, interior repairs, and maintenance services. Rental payments will be provided from GPR funds.

   After the initial year, the base rental rate will increase 2% percent annually, including each of the five-year renewal options. EMI will design and build out the space for the campus, which in turn will use the gift funds, which were originally enumerated for the McBurney Center portion of the Gordon Commons project, to pay EMI for the tenant improvements based on actual costs. Based on comparable build-outs, it is anticipated the cost will range between $50 and $75 per LSF. The lease will allow the university to construct additional floor space at the second level with no increase in the annual rental rate.

   EMI will create a new sixth condominium unit in the University Square Condominium Association to be leased to the UW-Madison. The lease provides an option to purchase condominium unit #6 beginning July 1, 2015, which can be exercised every two years with a six (6) month written notice. The purchase price will be $6,700,000, which is based on the $250/GSF construction cost. The campus will request program revenue enumeration of the purchase of condominium unit #6 as part of its 2015-17 capital budget.

4. Description and Scope of Project: This lease provides 26,791 GSF of space in order to relocate two existing campus programs to better serve its student clientele and alleviate space needs. The McBurney Disability Resource Center will be relocated from their space at the Middleton Building and the Office of Admissions will be relocated from its current space in the Red Gym.

   The McBurney Disability Resource Center is a program within the Offices of the Dean of Students. McBurney staff work with UW students with disabilities to ensure that these students can fully participate in curricular and co-curricular pursuits with or without accommodation. The center has been a formal student services program since 1977. Disability populations include those with mobility, visual, hearing, learning, chronic health, and psychiatric challenges. Approximately 800 students are registered with the center. Several hundred contacts from prospective student clients are also made annually.

   The Office of Admissions serves as the front door to the UW–Madison. To that end, it has two primary responsibilities: first, providing information about the university and its educational opportunities to prospective students, their families, and school counselors; and second, conducting business processes that lead to the admission and enrollment of students from Wisconsin and around the world. Each year the office hosts more than 20,000 visitors via its visit program and other focused outreach events. It also reviews and makes decisions regarding more than 30,000 applications for admission each year as well as awarding more than 180,000 advanced standing (transfer) credits to enrolling transfer, freshman, reentry, and continuing students.

5. Justification: The McBurney Disability Resource Center was originally housed in Bascom Hall and was relocated to 905 University Avenue in the late 1980s where it remained for twenty years. In July 2005, the McBurney Center was relocated from 905 University Avenue to the Middleton Building (the former Health Sciences Library located at 1305 Linden Drive) to accommodate a planned building addition to Grainger Hall (School of Business).

   Although the interior first floor location and square footage available in McBurney's current home in the Middleton Building is sufficient, the physical location and exterior path of travel to this facility is incompatible with the program's purpose and is unsuitable given the program's clientele.

   Program growth is expected in the number of students with dual disabilities, severe chronic health conditions, and psychiatric disorders. Returning veterans will increase the number of students with severe physical disabilities (e.g., spinal cord injury, amputee, traumatic brain injury), hearing loss, and post-traumatic stress disorder. Physical access, adaptive technology, and counselor demands will increase with this emerging population of disabled individuals.

   Since the center routinely deals with distressed students, a safe, hospitable, and welcoming program environment is essential. Additionally, the staff routinely receives and reviews confidential disability information as well as medical and mental health records and is the

campus repository for such documentation. A facility that offers private work spaces and secure records storage is necessary to meet the program's needs.

In order to provide more functional space for the McBurney Center, the campus proposed an expansion of the new Gordon Commons project, which is currently being designed. However, relocation to University Square was deemed a better alternative and fit for this program because of the ease of accessibility to the building, its proximity to public parking and paratransit drop-offs, and its co-location with other student services programs and activities that are located at 333 East Campus Mall.

The Office of Admissions is currently located on the third floor of the Armory/Gymnasium (Red Gym), which has been the location of that office since 1998. Over the course of time, application numbers have grown and expectations of the office have changed. Current staffing has grown approximately 20% since the office first moved into the Red Gym. Although a number of small renovation projects have occurred since its initial move, the available space is now limited and the requirements of office space have outgrown the facility. It is anticipated that the number of staff will need to expand to meet the increasing need for information and efficient processes, both of which are essential to remain competitive in the changing world of college admissions.

Relocating the Office of Admissions to University Square would be advantageous because the office is part of the Division of Enrollment Management, which is already located there. The admissions office works directly with the student clientele that already access other services at that location. The accessibility to the Office of Admissions' services and staff would be greatly enhanced with a first floor location that would provide greater visibility, allow for easy access and public parking, and create a welcoming place for prospective students, parents, and visitors.

The vacated space in the Middleton Building would allow other UW-Madison programs, which are now located in leased space (e.g., DoIT Academic Technology at 1401 University Avenue), to return to campus and thus save operating funds. The vacated space in the Red Gym would permit the campus to consolidate diversity education programs and address priorities in the Madison Initiative for Undergraduates.

6. Previous Action:

August 19, 2004 Resolution 8888	Approval to enumerate a University Square Development project as part of the 2005-07 Capital Budget at an estimated cost of $56,850,000 with the release of $17,000,000 PRSB (student segregated fees) in July 2005 and release of $39,850,000 GFSB in July 2007.
September 8, 2005 Resolution 9052	Granted authority to: (1) implement the Master Term Sheet for the University Square Redevelopment Project in conjunction with Madison Real Estate Properties along with improvements to the East Campus Pedestrian Mall, at an estimated total cost of $56,850,000;

(2) amend the campus boundary to include the redevelopment site; (3) release $17,000,000 Program Revenue Supported Borrowing (student segregated fees) in September 2005; (4) release $39,850,000 General Fund Supported Borrowing in July 2007; and (5) authorize the officers of the Board to execute the Ground Lease, Development Agreement, Condominium Documents, Purchase Agreement, Right of First Offer, easements and other agreements and documents required to implement the project in accordance with the provisions of the Master Term Sheet.

Authority to Adjust the Budget of the Microbial Sciences Building Project, UW-Madison

CAPITAL PLANNING AND BUDGET COMMITTEE

Resolution:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the project budget of the Microbial Sciences Building project by $392,000 Existing General Fund Supported Borrowing for a revised total project cost of $121,657,710 ($51,084,639 General Fund Supported Borrowing, $4,114,000 Program Revenue Supported Borrowing, and $66,459,071 Gifts/Grants).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
December 2009

1. Institution: The University of Wisconsin-Madison

2. Request: Authority to increase the project budget of the Microbial Sciences Building project by $392,000 Existing General Fund Supported Borrowing for a revised total project cost of $121,657,710 ($51,084,639 General Fund Supported Borrowing, $4,114,000 Program Revenue Supported Borrowing, and $66,459,071 Gifts/Grants).

3. Description and Scope of Project: This request will allow additional mechanical and control work to be undertaken in the building to improve its functionality. The project will add snow-stopping mechanisms to the outside air intakes for the purpose of reducing the likelihood of snow entrainment. Control systems will be modified to vary the volume of supply air. Controls on exhaust fans, which carry humid exhaust air from the washing areas, will also be modified to prevent freezing conditions inside the roof-mounted ductwork.

4. Justification of the Request: The 300,000 GSF Microbial Sciences Building opened in 2007. Since that time, extreme winter weather conditions cause snow to enter the air intakes and collapse the ducts. Also, humid exhaust air will condense and freeze solid in the damper mechanisms. Heating coils on the AHUs in the Penthouse are pressurizing condensate lines which are causing humidifier condensate to back up and flood AHU ductwork. This increase in project funding will provide for modifications to the HVAC system that will halt the system shut-downs that have disrupted the research and teaching in this building. It will also address a number of smaller building issues, i.e., accessibility of the smoke beam detectors in the atrium and revising condensate lines in the BSL-3 and vivarium spaces.

5. Budget:

Construction	$342,000
Contingency	35,000
DSF fees	15,000
Total	$392,000

6. Previous Action:

August 25, 2000 Resolution 8175	Recommended as part of the 2001-03 Capital Budget request, endorsed the BioStar Initiative, a ten-year $317 million program funded overall with 50 percent GPR and 50 percent non-GPR funds to supplement biotechnology-related facilities at UW-Madison.

July 11, 2003 Resolution 8711	Approved the Design Report and authorized construction of the Microbial Sciences Building and Parking Structure project, at an estimated total project cost of $104,114,000 ($45,500,000 General Fund Supported Borrowing – BioStar, $54,500,000 Gifts/Grants, and $4,114,000 Program Revenue Supported Borrowing.
December 10, 2004 Resolution 8948	Granted authority to increase the budget of the Microbial Sciences Building and Parking Structure project, by $13,507,864 ($1,548,793 General Fund Supported Borrowing–BioStar, $10,274,000 Gifts/Grants and $1,685,071 Program Revenue Supported Borrowing) for a revised total project cost of $120,552,270 ($47,048,793 General Fund Supported Borrowing-BioStar, $2,930,406 General Fund Supported Borrowing from Project 04A1W; $64,774,000 Gifts/Grants, and $5,799,071 Program Revenue Supported Borrowing). Note: In February 2008, a budget increase for the Microbial Sciences Building project of $384,640 General Fund Supported Borrowing reallocating funds from the Wisconsin Veterinary Diagnostic Laboratory project was approved by the State Building Commission. This resulted in a revised total project cost of $120,936,910 ($47,048,793 General Fund Supported Borrowing-BioStar, $2,930,406 General Fund Supported Borrowing (from Project 04A1W); $380,640 (from Project 00C4L) $66,459,071 Gifts/Grants, and $4,114,000 Program Revenue Supported Borrowing).

Approval of the Design Report and Authority to Construct the Central Chiller Installation Project, UW-Milwaukee

CAPITAL PLANNING AND BUDGET COMMITTEE

Resolution:

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, the Design Report of the Central Chiller Installation project be approved and authority be granted to construct the project at a total cost of $6,419,000 ($5,449,200 General Fund Supported Borrowing and $969,800 Program Revenue Supported Borrowing).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
December 2009

1. Institution: The University of Wisconsin-Milwaukee

2. Request: Approval of the Design Report of the Central Chiller Installation project and authority to construct the project at a total cost of $6,419,000 ($5,449,200 General Fund Supported Borrowing and $969,800 Program Revenue Supported Borrowing).

3. Project Description: The project includes the installation of one 4,000 ton electric drive centrifugal chiller which will be installed in the remaining open bay alongside the existing 3,000 ton chiller. One primary chilled water pump, one condenser water pump, and one secondary chilled water distribution pump will be installed in the Central Heating and Chilling Plant (CHP) basement with piping connections to existing piping headers. All three of the new pumps will be provided with variable frequency drives. Two existing 150 horsepower (HP) lake water pumps in the Lake Water Pumping Station will be replaced with two new 300 HP pumps and one of the existing lake water pumps will be relocated. All three pumps will be provided with variable frequency drives.

   A dedicated electrical power circuit will be provided from a spare 5kV circuit breaker cubical in the substation yard adjacent to the CHP to serve the new electric drive centrifugal chiller. In addition, this new 5kV service feeder will be tapped to provide power to an exterior pad-mounted switchgear unit consisting of a 1,000 kVA, 4160/480V transformer and a 480V secondary disconnect. A new 480V switchboard will be installed inside the Central Heating and Cooling Plant (CHP) with circuits to each pump's variable frequency drive. A visual screen will be provided to shield the exterior pad-mounted equipment. Electrical work in the Lake Water Pumping Station will include replacement of the main switchboard and motor control center, re-feeding the existing loads, and feeding the new/relocated pump motors.

4. Justification: After completing a series of capital building renovations and a capital construction project which increased system chilled water load, the campus initiated a study to determine current and future chiller capacity and efficiency needs. Initially, the focus was to enhance efficiency of the condensing steam turbine drive chillers by installing parallel electric drive compressors and to determine the timeline for installing the new capacity. During the summer of 2006, coincident with the study, the campus experienced record cooling loads that reached a new peak of approximately 8,200 tons. This was significantly higher (28%) than the previous record of 6,400 tons, which was recorded in the summer of 2005. The campus chilled water system was not able to keep up with the demand on multiple days in July and had virtually no reserve capacity for half of the cooling season. In light of the increased cooling demands, the study's consultant recommended that the condensing steam turbine chiller retrofit approach be abandoned in favor of installing new chiller capacity now. This solution will provide the campus with an additional 4,000 tons of cooling capacity; will reduce the cost of

producing chilled water by virtue of its it's higher efficiency; and will provide adequate future reserves.

5. Budget and Schedule:

Budget	Cost
Construction	$5,050,000
Contingency	734,000
A/E Design Fees	404,000
DSF Fees	231,000
Total Project Cost	$6,419,000

Design Report Completion	September 2009
SBC Authority to Construct	December 2009
Bid Opening	August 2010
Construction Start	October 2010
Substantial Completion	May 2011

6. Previous Action:

August 22, 2008 Resolution 9529	Granted authority to submit the Central Chiller Installation project as part of the 2009-11 Capital Budget request to the Department of Administration and the State Building Commission.

Master Plan Initiative Expenditure Plan,
UW-Milwaukee

CAPITAL PLANNING AND BUDGET COMMITTEE

Resolution:

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, authority be granted to seek enumeration of the School of Freshwater Sciences Research Building Phase I, $50,000,000 General Fund Supported Borrowing (GFSB) ($43,400,000, 2009-11 and $6,600,000 2011-13) as the initial project of the University of Wisconsin-Milwaukee Master Plan Initiative, and that the remaining $73,400,000 GFSB, $55,600,000 Program Revenue Supported Borrowing, and $60,000,000 Gifts/Grants will be allocated to additional projects in the Master Plan Initiative at the next meeting of the Board of Regents.

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
December 2009

1. Institution: The University of Wisconsin-Milwaukee

2. Request: Authority to seek enumeration of the School of Freshwater Sciences Research Building Phase I, $50,000,000 General Fund Supported Borrowing (GFSB) ($43,400,000, 2009-11 and $6,600,000 2011-13) as the initial project of the University of Wisconsin-Milwaukee Master Plan Initiative.

3. Project Description: This project will construct the initial phase of an Integrated Marine, Freshwater, and Atmospheric Research Laboratory on the site of the existing Great Lakes Research Facility (GLRF). The project will construct a three-story addition of approximately 125,000 gross square feet to the existing Great Lakes Research Facility (GLRF) with possible renovations in the existing building. Shared research support core facilities will be created for computation and visualization, genomics, biosecurity (Biosafety Levels 2 and 3), and trace analysis. The addition will also house research collaboration areas such as conference/meeting rooms, visiting scientist support, and outreach spaces. This proposed project will be the next step of fully developing a Harbor Campus on and around the existing GLRF property.

4. Justification: Freshwater sciences has been identified in the university's master planning process as one of the collaborative research themes to lead the institution forward in its development as an entrepreneurial research institution. Building on the foundation of the Great Lakes WATER Institute's 40-year history, and in recognition of the key role of freshwater in the health and economy of our region, UW-Milwaukee is opening the nation's first School of Freshwater Sciences with a mission of promoting transformative research and graduate education. This project is needed to create a research environment that attracts a diverse group of researchers by providing them with both the tools and the colleagues to advance fundamental and strategic science. It will provide state-of-the-art laboratories for interdisciplinary research that will focus on climate systems and forecasting, ecosystem management, environmental health, and integrated marine technologies. The facility will provide the opportunity for scientists and students to engage with each other in interdisciplinary lines of scientific inquiry; to share data, knowledge, and models; and to accelerate the pace of discovery and innovation.

   This project has the potential opportunity to secure private gifts or grants. Should those opportunities be realized, such funding may be substituted for GFSB under Wis. Stats. 20.924(1)(em). The GFSB authority would revert to other priority projects in the UWM Master Plan Initiative.

The Master Plan Initiative was adopted in the 2009-11 Biennial Budget (Act 28) with the following allocation over three biennia.

Biennium	GFSB	PRSB	Gift/Grant	BTF	Total
2009-11	$43.4	$55.6	$60.0	$.5	$159.5
2011-13	$50.0			$.5	$50.5
2013-15	$30.0				$30.0
Totals	$123.4	$55.6	$60.0	$1.0	$240.0

Enumeration of the School of Freshwater Sciences Building will expend $50,000,000 of the $123,400,000 GFSB contained in the initiative, unless that amount is reduced by gift and grant funding. The remaining $73,400,000 GFSB, $55,600,000 Program Revenue Supported Borrowing, and $60,000,000 Gifts/Grants will be allocated to additional projects in the Master Plan Initiative at the next meeting of the Board of Regents. The projects under consideration and review for funding are:

Replace Neeskay Research Vessel: This project will design, build, and equip a new 120-foot research vessel that will fulfill increasing demands for larger scientific crews, extended operations, dynamic positioning, contemporary laboratory environments, state-of-the-art handling capabilities, and large buoy and mooring service abilities.

Kenwood Integrated Research Complex (IRC) Phase I: This project will construct the first phase of a multiple-phase initiative to add new integrated research/teaching space to the southwest precinct of the Kenwood campus.

Innovation Park Research Facilities Phase I: This project will acquire the property and begin infrastructure improvements on an approximately 72-acre parcel in the northeast quadrant of the Milwaukee County Grounds in Wauwatosa. Included in the project will be the first phase of Academic Research Core Facilities, forming the nucleus of graduate research programs in Science and Engineering.

Public, Community and Clinical Health Phase I: The project will address the initial space needs for the School of Public Health and its research themes of community and behavioral health promotion; environmental and occupational health; policy, administration, and health services research; epidemiology and biostatistics; and informatics.

Columbia-St. Mary's: This project will acquire and redevelop the former Columbia Hospital, which consists of seven existing buildings and 10.9 contiguous acres to the UW-Milwaukee Kenwood campus.

5. Previous Action:

December 05, 2008 Resolution 9578	Approved modification of the UW System 2009-11 Capital Budget recommendation previously submitted to the Department of Administration in September 2008. It included the UW-Milwaukee Master Plan Initiative: $240,000,000 ($123,400,000 General Fund Supported Borrowing, $55,600,000 Existing Program Revenue Supported Borrowing, $1,000,000 Building Trust Funds, and $60,000,000 Gift Funds). Note: Ultimately, in 2009 Assembly Bill 75, 2009 Wisconsin Act 28, the UW-Milwaukee Master Plan Initiative was enumerated at $240,000,000 ($123,400,000 General Fund Supported Borrowing, $55,600,000 Existing Program Revenue Supported Borrowing, $1,000,000 Building Trust Funds, and $60,000,000 Gifts/Grants Funds). Section 9106 Nonstatutory provisions; Building Commission. (13) MILWAUKEE INITIATIVE. Notwithstanding section 18.04 (1) and (2) of the statutes, no public debt authorized for the Milwaukee initiative in section 20.866 (2) (s) 1., as created by this act, may be contracted until the Board of Regents of the University of Wisconsin System has approved an expenditure plan for the Milwaukee initiative that includes the identification of specific projects and sources of funding and the identified projects are enumerated pursuant to section 20.924 (1) (b) of the statues.

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

CAPITAL PLANNING AND BUDGET COMMITTEE

Resolution:

That, upon the recommendation 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 $18,728,600 ($3,880,200 General Fund Supported Borrowing; $12,114,550 Program Revenue Supported Borrowing; $513,050 Gifts and Grants; and $2,220,800 Program Revenue Cash).

THE UNIVERSITY OF WISCONSIN SYSTEM

Request for
Board of Regents Action
December 2009

1. Institution: The University of Wisconsin System

2. Request: Authority to construct various maintenance and repair projects at an estimated total cost of $18,728,600 ($3,880,200 General Fund Supported Borrowing; $12,114,550 Program Revenue Supported Borrowing; $513,050 Gifts and Grants; and $2,220,800 Program Revenue Cash).

ENERGY CONSERVATION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	CASH	GIFT/GRANT	Z450	TOTAL
MIL	09K2Q	Multi-Bldg Energy Conservation	$ -	$ 9,966,800	$ -	$ 351,800	$ -	$ 10,318,600
PLT	09K1Y	Pioneer Farm Bioenergy System	$ -	$ 943,750	$ 70,000	$ 161,250	$ -	$ 1,175,000
		EC SUBTOTALS	**$ -**	**$ 10,910,550**	**$ 70,000**	**$ 513,050**	**$ -**	**$ 11,493,600**

FACILITIES MAINTENANCE & REPAIR

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	CASH	GIFT/GRANT	Z450	TOTAL
MIL	09A1U	EMS Fire Egress/Security Impr	$ 2,217,500	$ -	$ 83,900	$ -	$ -	$ 2,301,400
MIL	09K2W	Sandburg West Tower Ext Window Repl	$ -	$ -	$ 1,495,200	$ -	$ -	$ 1,495,200
RVF	09H3Y	May Hall Ext Window Repl	$ -	$ -	$ 234,600	$ -	$ -	$ 234,600
		FM&R SUBTOTALS	**$ 2,217,500**	**$ -**	**$ 1,813,700**	**$ -**	**$ -**	**$ 4,031,200**

HEALTH, SAFETY, & ENVIRONMENTAL PROTECTION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	CASH	GIFT/GRANT	Z450	TOTAL
GBY	09K1W	Res Life Fire Alarm Renv	$ -	$ -	$ 337,100	$ -	$ -	$ 337,100
		HS&E SUBTOTALS	**$ -**	**$ -**	**$ 337,100**	**$ -**	**$ -**	**$ 337,100**

UTILITIES REPAIR & RENOVATION

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	CASH	GIFT/GRANT	Z450	TOTAL
EAU	09K1Z	Lower Campus CW/Steam Loops	$ 1,662,700	$ 1,204,000	$ -	$ -	$ -	$ 2,866,700
		UR&R SUBTOTALS	**$ 1,662,700**	**$ 1,204,000**	**$ -**	**$ -**	**$ -**	**$ 2,866,700**

	GFSB	PRSB	CASH	GIFT/GRANT	Z450	TOTAL
DECEMBER 2009 TOTALS	**$ 3,880,200**	**$ 12,114,550**	**$ 2,220,800**	**$ 513,050**	**$ -**	**$ 18,728,600**

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

Energy Conservation

MIL - Multi-Building Energy Conservation ($10,318,600): This project implements energy conservation opportunities based on a recently completed comprehensive investment grade energy audit of five high-rise academic buildings on the main campus. The debt service will be paid from the annual energy cost savings from the fuel and utilities appropriation (Fund 109).

Project work includes performance of a wide range of energy conservation measures in Bolton Hall, Cunningham Hall, Curtin Hall, Enderis Hall, and Engineering and Mathematical Sciences. The project improves exterior envelope weather seals, retro-commissions all HVAC and mechanical systems, retrofits all constant volume systems to new variable air volume systems, and installs removable insulation sleeves to select piping and valve locations. The lighting will be upgraded, a new PC power management system will be implemented, domestic water flows will be minimized where practical, and steam traps will be replaced and a maintenance and verification program will be implemented to reduce future failures.

Governor Doyle issued Executive Order 145 on April 11th, 2006 relating to Conserve Wisconsin and the creation of high performance green building standards and energy conservation for state facilities and operations. The order included direction that the Department of Administration, in consultation with state agencies and the UW System, set energy efficiency goals for state facilities. The order requires a 20% reduction in energy consumption from FY05 levels by FY10.

This project enables UW-Milwaukee to comply with the energy reduction goals stipulated in Executive Order 145 for the buildings covered in this project. The implementation of the energy conservation opportunities identified in this request will result in an anticipated annual energy cost savings of approximately $620,000 (30.6%) with a simple payback of 16 years. This equates to the state energy fund payback requirement of 20 years with repayment at a 5.25% bond rate and 3% annual rate of inflation. The anticipated energy reduction of approximately 11 million kilowatt-hours (46.9 kBTU/GSF) is 30.5% of the current energy consumption in these buildings.

PLT - Pioneer Farm Bioenergy System Installation ($1,175,000): This project creates an integrated system for the production and demonstration of bioenergy at the Pioneer Farm. The project includes renovating space and installing new equipment to provide a scalable anaerobic digestion system, an oilseed extraction system, and a biodiesel processing system. The project provides practical uses for farm production including the generation of biogas for electricity and/or heat, the production of oilseed meal for use as livestock feed, and the production of biodiesel for use in farm machinery. The debt service will be paid from the annual energy cost savings from the fuel and utilities appropriation (Fund 109).

The three primary components of the system are an anaerobic digester (AD) and generator for the generation of heat and electricity; an oilseed extraction system that includes a cold press and roaster for the production of raw vegetable oil and high quality livestock feed; and a biodiesel processing system for the conversion of raw vegetable oil to biodiesel and associated equipment for blending biodiesel with petroleum diesel. All three components of the system will be procured and installed independently as separate turn-key operations.

The Pioneer Farm is a modern agricultural demonstration and research facility. Recent and pending additions to facilities, and the ongoing work in water quality research, have established it as a showplace for students, producers, agricultural professionals, and scientists to see and learn about the latest technologies in livestock and crop production, and

the environmental impacts of agriculture. Bioenergy is an agricultural industry area of growth and interest that is not represented on the Pioneer Farm. The Renewable Energy minor began in 2008 and the Sustainable and Renewable Energy Systems major is anticipated to begin in 2011. Both of these programs have demonstrated a significant need for instructional resources in renewable and sustainable energy systems. This project will establish the Pioneer Farm as a showplace for new, yet proven, bioenergy technologies. The bioenergy system will provide hands-on training for the agriculture, chemistry, and engineering programs. This project allows the Pioneer Farm to demonstrate a renewable energy system that is both sustainable and profitable. Operation of this system will focus on the efficient use of on-farm and locally derived resources and promote the use of renewable and sustainable energy resources, while providing numerous research opportunities for faculty and students at UW-Platteville and other institutions.

The Pioneer Farm purchases all the energy it uses for production and research through local utilities. This is a significant operating expense for the farm and limits the ability of the farm to expand educational and research efforts. The Pioneer Farm master planning scope includes considerations for renewable energy systems such as anaerobic digestion, photovoltaics, and wind turbines. These systems could offset part or all of the electricity needs, but provide few other benefits to farm production. For renewable energy systems to become widely adopted on farms, they must be economical and highly compatible with the farming system. A unique aspect of the project is the demonstration of a renewable energy system that is highly integrated into the current farming system and that requires little modification to current livestock, cropping, and manure management practices.

This project has a 16 year simple payback when the criteria for State Energy Conservation Funds are applied. This equates to the state energy fund payback requirement of 20 years with repayment at a 5.25% bond rate and a 3% annual rate of inflation. Project costs will be offset by a Focus on Energy Grant of $161,250 and an institutional cash contribution of $70,000. Electrical utility costs will be reduced by an estimated $59,400 annually.

Facilities Maintenance and Repair Requests

MIL - Engineering and Mathematical Sciences Fire Egress and Security Improvements ($2,301,400): This project addresses fire egress and security issues between the four underground parking levels of Engineering and Mathematical Sciences (EMS) that are open 24 hours a day and the occupied spaces of the building that need to be secured on weekends and evenings. These improvements address employee and user health, safety, and protection and the security of assets and materials.

This project improves building door and hardware security, parking ramp security, and tall buildings life safety features. Project work includes securing all exterior doors (including card access connected to campus security and automatic locks on all ground floor entryways); installing new security cameras at selected interior door locations; and replacing select door assemblies, doors, and hardware.

The project also includes installing a new automatic overhead door to the main parking area with an access card or proximity reader; new security cameras at selected locations; and a new manual overhead door at the loading dock. A full-length floor-to-structure chain link fence with a locking gate will be installed in the parking area to create a secure research vehicle storage area. The project will also modify the elevator controls to include new card access readers in each elevator cab.

Project work includes fireproofing structural steel columns at existing and former load cell locations; installing two new dry standpipe fire department connections at Stairwells E1100R and W100T; and installing a new 125kW natural gas emergency generator near the loading dock and a new automatic transfer switch in the fire pump room. The new emergency generator will serve one elevator and the existing fire pump.

The EMS building houses research projects that must be monitored continuously by campus staff. Public corridors and vertical circulation points in the building are presently not secure. Unwanted and unauthorized visitors have taken advantage of the lack of building security on several occasions, which has resulted in theft and vandalism. There is a growing concern that the lack of security may lead to threats to personal safety.

Most exterior doors are not secure; the interior of the building does not provide a second level of security; doors do not close properly due to damage and/or wear; and wind pressure between the Chemistry Building and the EMS building pulls the doors open and does not allow them to close properly. The connections between the main building and the parking ramp, the elevator(s), the fire stair doors, and the loading dock access points are not secure. The parking ramp does not provide secure vehicle storage and it does not provide a second level of security. The "Tall Building Life Safety Pilot Study", which was completed in February 2007, identified several critical issues that require resolution. Remedial fireproofing needs to be applied to select structural steel columns. Some areas of the building are not protected by the standard 120 LF hose and 30 LF water stream. The existing emergency generator is overloaded and could potentially trip the circuit breaker that controls the fire pump motor.

MIL - Sandburg Hall West Tower Exterior Window Replacement ($1,495,200): This project replaces all exterior window assemblies with new energy efficient units, restores the exterior envelope integrity, replaces or repairs deteriorated components, and decreases the operational maintenance costs. This is the first phase of exterior window replacements for the original three Sandburg Hall towers. Project work includes replacing all 1,000 exterior windows in over 250 openings (typical size 13-feet wide by 5-feet high) in the 16-story Sandburg Hall West Tower (68,471 GSF). The existing window assemblies will be removed, salvaged, and the materials will be recycled. The window openings will be prepared for the new window units and interior finishes will be repaired and restored. The replacement units will have commercial grade insulated glass set in thermally broken insulated aluminum frames. It is anticipated that this first phase of construction will span the next two summers.

The exterior windows are original to the building and were installed in 1970. These units have exceeded their useful life due to intensive use and wear caused by harsh weather extremes. The single glaze windows are no longer weather tight and the frames are not thermally broken. This project will provide new units with a much higher thermal performance and energy efficiency rating.

RVF - May Hall Exterior Window Replacement ($234,600): This project replaces all student resident room exterior window units to improve the thermal performance of the building envelope and reduce operational maintenance costs.

Project work includes replacing 122 exterior window units in May Hall with new slider units. The replacement units will have aluminum frames, thermal panes, and insect screens. All ground level window units will include security screens. The replacement units will be set in the existing masonry openings and will be designed so that the panes can be easily replaced by maintenance personnel. Architectural finishes and exterior masonry repairs will be completed to facilitate the window replacements.

May Hall (38,000 GSF) was constructed in 1963 and the original aluminum slider windows units and tracks are worn out. Replacement parts are difficult to obtain. The units have single glass panes and the frames do not have a thermal break, which results in poor energy efficiency.

Health, Safety, and Environmental Protection

GBY - Residence Life Fire Alarm Renovation ($337,100): This project replaces the fire alarm systems in nine student residence apartments (143,700 GSF) to improve smoke and heat detection, provides additional audio/visual alarm signals to meet current ADA code, and improves maintenance. The replacement will ensure greater security for building contents and improved occupant life safety.

Project work includes replacing the fire alarm systems in Apartments 101-109. A new low voltage fire alarm control panel will be installed in each building with zones designated for each apartment suite and the basement space. Each suite will receive a new pull station at the entrance door, a new centrally located horn strobe alarm device, and smoke detector. A new smoke detector with integral sounder and battery backup will be installed in each bedroom. New smoke detectors, heat detectors, a carbon monoxide detector, and two pull stations will be installed in the basement. An annunciator panel will be mounted on the exterior of each building. Alarm and trouble signals will be centrally reported to the campus security office through dial-up telephone lines.

The fire alarm systems date back to the early 1970's with only minor improvements, including replacement of smoke detectors and connection to an addressable panel. Each building houses 63 students within seventeen individual suites. The only pull stations and alarm horns are located within two exterior public stairways. These systems do not provide the level of fire detection and alarm signaling typical of modern systems and they do not meet current codes.

In the past two years, there have been two fires. One minor fire occurred within an unoccupied kitchen and was reported by a bystander who activated one of the public pull stations in a stairwell. The second fire destroyed over fifty percent of an unoccupied building. This fire was also reported by a bystander who called the fire department. The new system will activate the fire alarm control panel from each suite regardless of the occupancy status.

Utilities Repair and Renovation Requests

EAU - Lower Campus Chilled Water and Steam and Condensate Loops ($2,866,700): This project extends steam and condensate piping from the Upper Campus near the McPhee Center to the Lower Campus near the School of Nursing, replaces steam and condensate piping from near the School of Nursing to Phillips Hall, and replaces piping through Phillips Hall.

Upper Campus to Lower Campus work includes constructing 411 LF of new concrete box conduit containing 8-inch high pressure steam (HPS) and 4-inch condensate pump discharge (CPD) piping from Upper Campus Steam Pit 3DD to Lower Campus near the southwest corner of the Phillips Hall parking lot. Two new steam pits, one on the Upper Campus at the top of the slope and one on the Lower Campus at the base of the slope, will be constructed. Project work includes clearing and grubbing, site excavation, erosion control measures on the steep slopes, and landscaping and site improvement restoration.

Phillips Hall to School of Nursing work includes constructing 1,146 LF of concrete box conduit containing 8-inch HPS and 4-inch CPD from the southwest corner of the Phillips Hall parking lot to Phillips Hall to replace the 4-inch HPS and 2-inch CPD and providing new services to the School of Nursing and the new University Center. Four new steam pits, one near Phillips Hall, one south of Phillips Hall, one at the approximate midpoint between Phillips Hall and the School of Nursing, and one at the southwest corner of the Phillips Hall parking lot, will be constructed. The steam pit at the southwest corner of the Phillips Hall parking lot will connect to the concrete box conduit from Upper Campus and extend connections to the School of Nursing and the new University Center. Project work includes site excavation, landscaping, and site improvement restoration.

Work in Phillips Hall includes replacing 450 LF of 4-inch HPS and 2-inch CPD located in a utility tunnel, partially under the building and partially below grade in the courtyard, with new 8-inch HPS and 4-inch CPD. The abandoned piping will be removed and active piping will be relocated to allow installation of the new piping.

The Lower Campus is served by a single steam and condensate pipe main, which was installed in 1966. The distribution piping from Upper Campus to Lower Campus is routed down Campus Hill and parallel to Garfield Avenue. This arrangement does not allow maintenance service without potentially shutting down a majority of the Lower Campus. The new steam and condensate piping will complete a loop on the Lower Campus that will provide additional capacity during normal operation and redundant capacity when critical

service is required. This project will also shorten the piping lengths to the School of Nursing from 4,400 LF to 2,200 LF and Phillips Hall from 3,800 LF to 2,900 LF, resulting in energy savings due to both the length of the piping and added efficiency of the new piping insulation. Relocating the utility extension between Phillips Hall and School of Nursing is necessary to vacate the site for the construction of the new University Center.

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	$ 3,880,200
Program Revenue Supported Borrowing	12,114,550
Program Revenue Cash	2,220,800
Gifts/Grants Funding	513,050
Total Requested Budget	**$18,728,600**

6. Previous Action: None.

REVISED 12/9/09

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

December 11, 2009

UW-Madison Memorial Union
800 Langdon Street, Main Lounge, 2nd Floor Central
Madison, Wisconsin

9:00 a.m.

II.

1. Calling of the roll

2. Approval of the minutes of the October 15 and 16, 2009 meetings

3. Report of the President of the Board
   a. Wisconsin Technical College System Board report
   b. Additional items that the President of the Board may report or present to the Board

4. Report of the President of the System
   a. Quality, Affordability, and Differential Tuition
   b. Additional items that the President of the System may report or present to the Board

5. Report and approval of actions taken by the Business, Finance, and Audit Committee

6. Report and approval of actions taken by the Capital Planning and Budget Committee

7. Report and approval of actions taken by the Education Committee

8. Teaching Excellence Awards

9. Resolutions
   a. Resolutions of appreciation to Judith Temby upon her retirement as Secretary of the Board of Regents
   b. Resolution of appreciation to UW-Madison as host of the December meeting

10. Communications, petitions, and memorials

11. Unfinished and additional business

12. Move into closed session to confer with legal counsel regarding pending or potential litigation, as permitted by *Wis. Stats.* 19.85(1)(g)

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

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

President – Charles Pruitt
Vice President – Michael Spector

STANDING COMMITTEES

Executive Committee
Charles Pruitt (Chair)
Jeffrey B. Bartell
Mark Bradley
Eileen Connolly-Keesler
Judith Crain
Danae D. Davis
Michael Falbo
Brent Smith
Michael J. Spector

Business, Finance, and Audit Committee
Brent Smith (Chair)
Eileen Connolly-Keesler (Vice Chair) (Audit Liaison)
Michael J. Falbo
David Walsh
Aaron Wingad
Betty Womack

Education Committee
Judith Crain (Chair)
José Vásquez (Vice Chair)
Mark Bradley
Danae Davis
Tony Evers

Capital Planning and Budget Committee
Jeffrey B. Bartell (Chair)
John Drew (Vice Chair)
Stan Davis
Tom Loftus
Kevin Opgenorth

Personnel Matters Review Committee
Michael J. Spector (Chair)
Judith V. Crain
Danae D. Davis
John Drew

Committee on Student Discipline and Other Student Appeals
Brent Smith (Chair)
Kevin Opgenorth
Michael J. Spector
Betty Womack

OTHER COMMITTEES

Liaison to Association of Governing Boards
Eileen Connolly-Keesler

Hospital Authority Board - Regent Members
Judith Crain
Michael J. Spector
David G. Walsh

Wisconsin Technical College System Board
José F. Vásquez, Regent Member

Wisconsin Educational Communications Board
Judith V. Crain, Regent Member

Wisconsin Partnership Program
Roger E. Axtell, Regent Liaison

Higher Educational Aids Board
Jeffrey Bartell, Regent Member

Research Park Board
David G. Walsh, Regent Member

Teaching Excellence Awards
Danae D. Davis (Chair)
Jeffrey B. Bartell
John Drew
José F. Vásquez
Betty Womack

Academic Staff Excellence Awards Committee
Eileen Connolly-Keesler (Chair)
John Drew
Kevin Opgenorth
Brent Smith
José F. Vásquez
Betty Womack

Diversity Awards Committee
José Vásquez (Chair)
Danae Davis
Kevin Opgenorth
Aaron Wingad
Betty Womack

Special Regent Committee for UW-Platteville Chancellor Search
Thomas A. Loftus (Chair)
David Walsh
Kevin Opgenorth
Betty Womack

Special Regent Committee for UW-Stevens Point Chancellor Search
Judith V. Crain (Chair)
Mark J. Bradley
Eileen Connolly-Keesler
José Vásquez

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

2010 REGENT MEETING SCHEDULE

February 4 and 5, 2010: In Madison

April 8 and 9, 2010: Hosted by UW Colleges

May 6, 2010: One Day Meeting in Madison

June 10 and 11, 2010: At UW-Milwaukee (Annual Budget)

August 19 and 20, 2010: In Madison (Biennial Budget)

October 7 and 8, 2010: At UW-Oshkosh

November 4, 2010: One Day Meeting in Madison

December 9 and 10, 2010: Hosted by UW-Madison