

MINUTES OF THE SPECIAL MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in 1820 Van Hise Hall  
UW-Madison  
Madison, Wisconsin

Friday, July 23, 2010  
10:00 a.m.

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Friday, July 23, 2010  
10:00 a.m.

- President Pruitt presiding –

PRESENT: Regents Jeffrey Bartell, Mark Bradley, Judith Crain, Danae Davis, Stan Davis, Anthony Evers, Michael Falbo, Thomas Loftus, Edmund Manydeeds, Charles Pruitt, Jessica Schwalenberg, Michael Spector, David Walsh, Aaron Wingad, and Betty Womack

UNABLE TO ATTEND: Regents John Drew, Brent Smith, and José Vásquez

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### **OPENING REMARKS**

#### ***President's Greeting***

President Pruitt welcomed attendees and explained that the purpose of the day's meeting is to engage in preliminary discussions of the UW System's 2011-13 biennial budget request. He noted that there would be no action items; rather, this would be an opportunity to discuss budget strategies that might be presented in August and how those fit with the Board's priorities. President Pruitt encouraged Board members to ask questions and provide feedback to President Reilly, his staff, and chancellors as they work to develop detailed budget recommendations.

#### ***Introductions by President Reilly***

President Pruitt then turned to UW System President Reilly to introduce several new colleagues. President Reilly welcomed Michael Morgan, the System's new Senior Vice President for Administration and Fiscal Affairs; Bernie Patterson, the new Chancellor at UW-Stevens Point; Dennis Shields, the new Chancellor of UW-Platteville; and Marv Van Kekerix, who has agreed to serve as Interim Chancellor of UW Colleges and UW-Extension, during the search for a successor to Chancellor David Wilson.

## **RESOLUTION OF APPRECIATION FOR UW-SUPERIOR CHANCELLOR JULIUS ERLENBACH**

President Pruitt noted that the Board would be bidding farewell to long-serving UW-Superior Chancellor Julius Erlenbach. President Pruitt called upon Regent Bradley to present the Board's resolution of appreciation.

Regent Bradley began by saying that he has had the honor of being a campus buddy of UW-Superior for four of his seven years as a member of the Board. He recalled his first visit to UW-Superior and a stop at the dilapidated kitchen at UW-Superior during a "warts and all" tour of UW-Superior. Eventually, under Chancellor Erlenbach's leadership, this and other facilities were replaced. Visits to UW-Superior have become known to Regents as very enjoyable. Regent Bradley presented the following resolution to the Chancellor:

### **Resolution of Appreciation for UW-Superior Chancellor Julius Erlenbach**

Resolution 9798:           WHEREAS, Julius Erlenbach has served with distinction for 14 years as the eleventh chancellor of the University of Wisconsin-Superior, from 1996 to 2010, and is currently the second-longest-serving chancellor in the UW System; and

WHEREAS, Chancellor Erlenbach has served at three UW institutions – UW-Stevens Point, UW La Crosse, and UW-Superior – including the positions of faculty member, dean, and provost; and

WHEREAS, during his tenure, Chancellor Erlenbach expanded educational opportunities for students, creating a Multicultural Affairs Office to emphasize outreach to students and staff of color, and increasing the number of bachelor's degrees awarded each year by 30 percent; and

WHEREAS, he advanced UW-Superior's tradition of excellence in liberal arts education, leading efforts to earn the university membership in the prestigious Council of Public Liberal Arts Colleges in 2001; and

WHEREAS, under Chancellor Erlenbach's leadership, the university joined the UW-Superior Foundation in launching the highly successful "Campaign Superior: Higher Expectations," the university's first comprehensive fundraising campaign, which raised \$16.2 million for scholarships, student and faculty support, academic initiatives, and campus construction; and

WHEREAS, Chancellor Erlenbach oversaw the biggest campus building boom in 40 years, leveraging gifts to Campaign Superior to gain state support for needed construction and renovation projects, resulting in the total renovation of Jim Dan Hill Library, as well as construction of Yellowjacket Union, Swenson Hall, and the Marcovich Wellness Center; and

WHEREAS, Chancellor Erlenbach successfully expanded the university's alumni program, re-connecting loyal Yellowjackets with their alma mater through alumni chapters across the country and numerous reunions and receptions, and – as a dedicated advocate for the campus and Superior – he adopted a trademark phrase, "It's another beautiful day in Superior, Wisconsin," including it in every public address;

BE IT THEREFORE RESOLVED that the Board of Regents of the University of Wisconsin System offers its most sincere gratitude to Chancellor Julius Erlenbach for his service and dedication to the University of Wisconsin-Superior and the state of Wisconsin and wishes him a rewarding, well-deserved retirement.

The resolution was approved by acclamation, and Chancellor Erlenbach received a standing ovation. Chancellor Erlenbach, expressing his appreciation, said that it is truly another beautiful day in Superior, Wisconsin. Quoting Shakespeare, Chancellor Erlenbach said, "Now go we in content. To liberty, and not to banishment."

He expressed gratitude to the late former Governor Lee Sherman Dreyfus, who was a mentor to him; to former UW System President Katharine Lyall for the opportunity to serve as chancellor; to current UW System President Kevin Reilly and members of the Board of Regents for their support and faith in his leadership; and to former Board of Regents President Toby Marcovich for his support. Chancellor Erlenbach also praised the strong leadership team at UW-Superior and thanked System colleagues for enabling good things to happen at UW-Superior. In closing, Chancellor Erlenbach quoted Robert Frost, saying "There is a time to come, and a time to go, and my time to go has come."

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## **DISCUSSION REGARDING 2011-13 BIENNIAL OPERATING AND CAPITAL BUDGET REQUEST**

President Pruitt began the discussion of the UW System's 2011-13 biennial budget request by noting that the Board is required to take action on the UW budget by the fall so that the Governor and his staff can begin developing the whole state budget sometime in late winter. While it is necessary to address near-term deadlines, it is important to also remember the long-

term strategic context, which has been the focus of some recent conversations with editorial boards and other media and community leaders around the state.

### ***“Principles for Progress and Prosperity”***

As part of an unofficial “barnstorming” tour, President Pruitt noted that he and former Regent President Jay Smith collaborated on the “Principles for Progress and Prosperity” document which lays out a new framework for thinking about the relative priority that’s given to higher education in Wisconsin today. It has been generally well received, as illustrated by editorials from the *La Crosse Tribune*, the *Green Bay Press-Gazette*, and the *Wisconsin State Journal* that grew out of “barnstorming” visits to those communities. President Pruitt expressed his thanks to colleagues on the Board who have provided support and encouragement for this initiative, and invited all to pick up the mantle to continue these important discussions.

The UW System communications team is working on a basic presentation based on the “Principles” framework, which will be available to share with local chambers of commerce, service organizations, or other audiences. The communications team can help identify opportunities to spread the word and invite a strong and continuing conversation about where the University of Wisconsin stands in the list of state priorities.

Wisconsin is at a crossroads, President Pruitt continued. A serious conversation is needed about how Wisconsin will compete in the next decade and beyond. Former Regent President Jay Smith’s involvement underscores that this is not a Democratic issue or a Republican issue, but it is an urgent issue. There is growing consensus that the State needs more college-educated workers. Everyone agrees that more jobs are needed, and people recognize that UW research is a major driver for new business growth and job creation.

The UW System has put forth clear action plans on both counts, President Pruitt noted. “The Principles for Progress and Prosperity” calls for a conversation about a new compact between the state of Wisconsin and its public university, built around a spirit of and commitment to shared, mutual responsibility. As recently as the early 1980s, the State allocated about 14 cents of every tax dollar to the UW. Ten years ago, that proportion slipped to ten cents. Today, fewer than nine cents of every tax dollar collected by Wisconsin goes to support our public university.

It is not the university’s role to tell anyone the level of taxes to collect, or who should pay those dollars, President Pruitt said, but it is important to have an intelligent conversation about what number of cents of each dollar the state collects should be invested in higher education. The hope is that out of that conversation will come a state commitment to stabilize funding for UW.

Those who will benefit most from stable funding are hard-working Wisconsin families and students. Ten years ago, the state covered 64 percent of the costs of educating a resident undergraduate. Today, the State covers only 40 percent. This loading of additional costs onto

UW students and their parents comes at a time when it is in the interest of all Wisconsin taxpayers to have more college graduates in the state's population.

This is not a request for unconditional support. Rather, the argument is for strategic commitment and greater stability, in exchange for measurable performance, the centerpiece of which is 80,000 graduates for Wisconsin by 2025, above and beyond those who would normally graduate according to current trends.

### ***Biennial Operating Budget Background***

Returning to the biennial budget, President Pruitt noted that the Board has looked at the upcoming biennial budget from a variety of different angles, with the discussion to continue at this meeting. He invited President Reilly to continue the discussion.

President Reilly, also noting the time that had been devoted to the budget in recent months, cited s. 15.07(3)(a), Wis. Stats., which requires that the Board meet no later than August 31 of each even-numbered year to consider and approve a proposed budget for the next biennium. Preliminary ideas and numbers discussed at the current meeting all fit within the *Growth Agenda* framework of more graduates, more jobs, and a competitive university workforce.

The university's commitment to the taxpayer is evident in several performance measures, President Reilly stated, noting that: (1) the cost per student is \$2,300 below the national average; (2) the cost to Wisconsin taxpayers to support public higher education (including the UW System and Wisconsin Technical College System) is \$211 per capita per year – less than in 36 states, where it costs taxpayers more than that to support their public colleges and universities; (3) UW administrative overhead is about 6 percent of the budget, the lowest of all universities in the UW's peer group, where the average overhead cost is nearly 10 percent; (4) the university offers a lean academic program array – out of 280 majors, only one is offered on all 13 four-year campuses; and (5) during the last 15 years, the average number of credits to degree has decreased from 140 to 132, with the percentage of students who graduate within six years increasing from less than 60 percent to nearly 66 percent.

Affordability is also a focus. President Reilly listed examples of the System's affordability initiatives: (1) for the fourth consecutive year, tuition increases at four-year campuses were held to 5.5 percent for the fourth consecutive year, with the UW System providing more than \$8 million in special grants next year to eliminate tuition increases for all students from families earning less than the state median income; (2) UW Colleges tuition was frozen for the fourth straight year; (3) new emphasis has been placed on raising private need-based aid, tripling the amount that is distributed over the last three to four years, with nearly 2,000 UW students receiving \$3.4 million in new need-based assistance from the Fund for Wisconsin Scholars during the 2008-09 academic year, a second cohort of students in the 2009-10 academic year receiving an additional \$4.27 million in FFWS assistance, and a third cohort of students enrolling at UW schools this fall who will receive similar aid; and (4) the UW System is supporting Wisconsin Covenant Scholars with the new "UW Covenant Scholars Package," that

the Board recently approved. Covenant scholars who demonstrate need will receive Covenant grants ranging between \$250 and \$2,500 per year.

With respect to the *Growth Agenda* goal of more jobs, President Reilly noted the UW's role in leveraging research to help existing businesses be more competitive and also to create new businesses with jobs that will employ more Wisconsinites. He emphasized the importance of prioritizing, of selecting those strategies that can be undertaken effectively now, and that will have the best return on investment.

Providing for a competitive UW System workforce is also important. A pay plan presentation will not be part of the budget discussion, but will be discussed later in the fall as the Office of State Employment Relations puts together its budget plans. However, President Reilly noted that the Board has long supported bringing UW salaries up to the median of the established peer groups. This need was reinforced by the Competitive University Workforce Commission.

### ***Economy and Other Considerations***

President Reilly next turned to Sr. Vice President Michael Morgan, who reviewed the statutory requirement that the Board approve a budget. He said that he would discuss the national economy and the difficult budget environment, other considerations in passing a budget, new initiatives, and the paring back of initiatives that has already occurred. Other topics to be covered would be questions that arose in Regent budget briefings, cost to continue, and budget instructions from the Department of Administration.

Beginning with the economy, Sr. Vice President Morgan described projections that unemployment will linger at about 9.5 percent until next year; lost jobs will not be made up until 2013 at the earliest, and Gross Domestic Product has been revised down to 2.7 percent. He also mentioned flat retail sales and declines in new and existing home sales. Prospects in Wisconsin are slightly better than those nationally, with some recent growth in several areas. He described growth in income and sales tax revenues in the state.

Other budget considerations include a \$2.5 billion structural deficit for the state, a recent Wisconsin Supreme Court decision regarding repayment of \$200 million to the Patient Compensation Fund, and the unlikelihood of another federal stimulus bill.

The budget proposal to be discussed recognizes that the country has gone through the worst recession in generations; but it also recognizes the important role of colleges and universities in the UW System in helping Wisconsin to come out of the recession and in strengthening the Wisconsin economy (e.g., Research to Jobs). The state's budget instructions to date clearly indicate that state departments should expect zero increases in their budgets, with some exceptions, such as instructional or research activities that drive economic growth.

## ***Funding for Growth Agenda***

Next, Associate Vice President Freda Harris briefly reviewed the *Growth Agenda* goals, focusing first on “more graduates.” The goals associated with more graduates are increasing retention, increasing enrollments, and the Tuition Increase Grant. Based on campus plans, the retention goal going into 2015-16 would be approximately 2,300 additional students retained. Access goals for the second year of the 2011-13 biennium would include adding about 3,600 full-time equivalent undergraduate students into the system. Improved affordability to promote retention would be addressed through a hold-harmless provision for Wisconsin Higher Education Grant recipients, requested by the Board of Regents in June and forwarded to the Higher Educational Aids Board. Expanding the pre-college pipeline would be another aspect to the budget request.

Focusing on the “more jobs” component of the *Growth Agenda*, Ms. Harris referred to the Research to Jobs implementation recommendations, including three emerging technology centers (a reduction from what was requested); the UW Libraries’ Research Commons request for digital resources for libraries; UW-Milwaukee’s research initiative (including in the freshwater and public health areas); UW-Madison’s graduate student initiative; and funding to build the research infrastructure at the comprehensive institutions.

The pay plan request to support the “foundational activity” component of the *Growth Agenda* will occur later in the year. However, the Board will be asked to consider restoration of the 2008-09 two-percent pay plan for nonrepresented faculty and staff. The pay plan rescission applied only to nonrepresented staff.

Sr. Vice President Morgan then mentioned some efforts to reduce the budget request, including reducing the Research-to-Jobs proposal by half; including no proposal for pay-plan “catch-up;” requesting 75 percent of state support for new enrollments, as a way of promoting cost reductions; and including no request to fund graduate enrollment growth. He suggested that the budget acknowledges the current environment but is also aggressive in relation to the *Growth Agenda*.

## ***Operating Budget Questions***

Sr. Vice President Morgan invited questions, and Regent Loftus asked about budget goals in relation to priorities, and whether the goals are the priorities. For example, the 80,000 new graduates are a goal; is this also the Board’s priority? Regent President Pruitt indicated that the issue of prioritization is open to discussion. UW System President Reilly added that graduating more students and moving toward job creation are intertwined, as is the foundational activity. Regent Loftus said that if the Board presents these goals as its priority, it will be important to discuss accountability for the achievement of the goals. President Reilly responded, indicating that progress toward meeting the goals would be monitored over time.

UW-Madison Chancellor Martin, following up on the question of priority, expressed concern that the UW System will receive a cut in its base funding. If such a cut occurs in



combination with enthusiasm for some of the new initiatives, Chancellor Martin asked, how will the campuses be able to carry out the new initiatives? Chancellor Reilly responded by saying that the UW System needs to make an argument based on what is needed for the state and will have to make choices depending on the response to this argument.

UW-La Crosse Chancellor Gow, saying that students have always come first in the System, urged that faculty and staff compensation should be a priority. Competitive compensation is essential to reward the staff for their fine work. He offered that to keep the focus off of administrative salaries, and on the salaries of teachers and researchers, he would donate any of his personal increase to be used for financial aid for students.

Regent Crain asked about items that are not included in the budget, such as the lack of a request to fund graduate-enrollment growth. President Reilly briefly described the need to set priorities and make choices among all of the activities that the System needs to undertake, and then called upon Vice President Deborah Durcan to describe questions that arose during budget briefings with Regents.

Ms. Durcan began by saying that the focus of the *Growth Agenda* was on undergraduates, which was the reason the budgetary focus was on undergraduate-enrollment growth. Elaborating upon Associate Vice President Harris's remarks, she also described other significant reductions in initial requests.

Vice President Durcan then noted that questions arose during budget briefings about improvements in graduation rates and whether there has been a reduction in the number of credits to degree. She noted that since the 1993-94 academic year, the average number of credits attempted decreased from 145 to 132. During a similar time period, the percentage of students who graduated within six years has increased from less than 60 percent to nearly 66 percent.

Other questions from Regents pertained to access and the breakdown between access and retention funding. About 45 percent of the request is for retention, at the rate of full state support per student; and 55 percent of the request is for access, at 75 percent of the current state-support level; more will be added for precollege-program funding.

To address a briefing question about projected job growth in Wisconsin, Ms. Durcan referred to a Georgetown University study that shows that Wisconsin will be adding 139,000 new jobs between 2008 and 2018 that will require postsecondary education and training. The same study projects another 558,000 job vacancies, caused by retirements, which will also require postsecondary credentials. UW campuses are working to align program array to emerging needs.

Responding to budget briefing questions about whether there is a tuition component to the new initiatives for more graduates, Vice President Durcan said that historically, and in this budget request, almost all new initiatives are requested with both a tuition and a General Purpose Revenue (GPR) component.

Related to whether UW libraries are working collaboratively, Ms. Durcan said that the UW libraries do work together as a group to determine priorities for resources to address system needs. All UW institutions would benefit from increased resources for libraries.

In response to a question from Regents about what other states are doing with respect to furloughs, Vice President Durcan said that many other states are currently requiring their employees to take unpaid furlough days, some calling for up to 30 days of unpaid leave. More information is being gathered on current practices.

Another question during the briefings was about restoration of the two-percent pay plan, and whether the System should advocate for this for all nonrepresented employees. This is an equity issue, Ms. Durcan said, but the Board has responsibility only for unclassified faculty and staff, and not other nonrepresented employees.

With respect to questions about the “tuition for quality” flexibility, Ms. Durcan noted that the Board can only change resident undergraduate tuition for items included in the biennial budget, approved pay plans, state imposed costs, self-supported programs, and differential tuition. A change in the law would allow the Board to address quality issues. She noted that achieving greater flexibility in the areas of capital budget and procurement is also important.

Regarding cost to continue and related decisions, Vice President Durcan said that cost-to-continue funds are needed to sustain the same levels of access and quality approved in the previous budget. In most years, operating costs naturally increase, she said. It will cost more next year to maintain the same level of health insurance coverage, for example, and it will cost more to heat and cool current and new classrooms and laboratories. Each year UW institutions re-evaluate their priorities based on strategic priorities and make decisions to reallocate funding to address their greatest needs. Campuses have been very successful at reducing overall operating costs and funneling those resources into supporting larger enrollments, without asking for additional new state funds, Ms. Durcan reported. At some point, however, those efficiencies are not enough to cover both the increased operating costs and efforts to enroll more students.

In response to briefing questions about how the UW System manages to be more efficient than other universities, Vice President Durcan noted that the System limits duplication. For example, the System has one law school, one medical school, one veterinary school and one School of Pharmacy. High-cost programs, such as Engineering, Allied Health Programs and Nursing work collaboratively and are not located at every institution. The UW also is working on reducing time to degree and four year graduation templates.

As President Reilly indicated, the UW System has a lean academic program array, Vice President Durcan said. Across the 26 campuses, undergraduate students can choose from 280 different majors. Of those options, about 83 percent are offered on three or fewer campuses, and only 29 majors are duplicated across more than half the four-year campuses.

With regard to nonresident undergraduate tuition at UW-Madison, a question arose about raising tuition to be closer to the peers. Ms. Durcan said that tuition for resident undergraduate

students at UW-Madison is about \$1,500 below the peer median, ranking UW-Madison eighth out of nine institutions. Meanwhile, tuition for non-resident undergraduate students at UW-Madison is below the peer median by \$1,911.

Inviting further questions, Vice President Durcan responded to a question from Regent Falbo, who suggested that reducing funding for new enrollments by 25 percent does not reduce the cost of each new enrollment. Ms. Durcan said that the assumption is that institutions will find creative ways of reducing costs; offering credit for prior learning is one example.

Regent Loftus suggested that the System could be committing to more than \$13 million in tuition increases for the new programs; if the base budget is cut, this commitment would remain. Also, at UW-Milwaukee, the benefit of a tuition increase would go largely to graduate programs, with the tuition paid by undergraduate students throughout the System. Associate Vice President Harris responded that a tuition increase would occur only to the extent that the new programs are approved. Unfortunately, the UW has had GPR reductions over several biennia; this could lead to a tuition increase, but efforts are also being made to increase affordability for lower-income families through WHEG or the Tuition Increase Grant. As to the suggestion that graduate education would be accorded a lower priority generally, the focus of the More Graduates initiative has been on increasing opportunities for individuals to earn associate or baccalaureate degrees; this reflects the national emphasis on increasing the number of degree holders.

Regent Davis remarked that she was persuaded that the Board should consider supporting a budget request that would support the *Growth Agenda*; but in the face of a challenging economy, priorities do need to be set, and not everything can be done.

Regent Falbo posed a question about whether the budget request moves the System toward meeting the goals of the *Growth Agenda*. President Reilly responded that if the request is met, it would give the System a good start toward meeting these goals. The more funding the System receives, the more it can do to help the state; but a request for more must be balanced against the considerations of the current economy.

Regent Davis asked Sr. Vice President Morgan to comment on the concern about cuts to the base budget. Mr. Morgan responded that the budget is being moved forward as a whole, not piecemeal; acknowledged that protection of the base is a concern; and suggested that the university should make the compelling argument that adequate funding of both the base and the new initiatives is important if the university is going to be able to help the state. In fact, the UW is one of the few agencies being allowed to bring forward new initiatives.

In response to a question about priorities from Regent Wingad, President Reilly reiterated that tough decisions about priorities have already been made. It is important to stress that graduates, jobs, and competitive compensation are integrated. Working with chancellors, local businesses, civic leaders and others was a successful approach to making this argument in the last biennium. The elected leaders need to make choices, but the university can work with third-party advocates to help make the argument for what the university needs.

Regent Schwalenberg asked about the goal of attracting more nontraditional students and veterans. Providing several examples, Sr. Vice President Martin affirmed that adult students are part of the strategy of increasing the number of graduates. Different recruitment models, partnerships, and course delivery methods are all part of the strategy, as well.

Regent Crain commented that while prioritization is important, the System should not appear to be de-emphasizing graduate education, because it is very important. Sr. Vice President Martin remarked that funding for research programs for UW-Madison and UW-Milwaukee does reflect a direct investment in graduate education.

Regent Loftus expressed concern that the request may be unrealistic and suggested that faculty and staff compensation should be the highest priority. In response, Regent Bartell suggested that while there are other options that could be considered, the initiatives being discussed are all important and reasonable in light of current economic conditions. The UW has eliminated duplication very effectively; has achieved significant administrative efficiency; believes that funding the base is essential; and has not requested all that could have been requested, but rather has carefully considered and moderated its request in a cost-efficient way.

President Pruitt emphasized that the conversation would continue, that other conversations are going on at the same time in the state, and that it is important to make the case that the state should reinvest in the university system. The Board has a role in advocating in a variety of different venues.

### ***Biennial Capital Budget Background***

President Pruitt then turned to Associate Vice President David Miller to describe the 2011-13 capital budget. Mr. Miller began by noting that several statutes govern submitting a long-range plan; that all building programs are to be in the form of long-range plans; and the plans are to be approved by successive legislatures. The Board of Regents is required to have a process for bringing projects forward to the Building Commission by September 15.

Academic instruction, funding, and a place to teach are the three pillars of the academy, Associate Vice President Miller said. The ultimate goal is to improve the quality of student instruction and academic success. This goal cannot be achieved in inadequate facilities. Mr. Miller showed slides of classrooms and how updating them allows for more interactive education.

Two ways of funding construction are General Fund Supported Borrowing that taxpayers support, a very competitive fund, and Program Revenue Supported Borrowing, repaid with university revenue. Any major project constructs new space and is over \$500,000.

Mr. Miller showed a fund summary of the capital budget and talked about the process of vetting projects. Institutions submit prioritized short lists; of 77 requests in this biennium only seven will be funded. Generally, the university receives about 63 to 70 percent of total new borrowing; this is the building block for the university's request.

Four projects are already advance enumerated. The four advance-enumerated projects are the School of Human Ecology, the middle tower of the Wisconsin Institutes for Medical Research, a large chiller addition to the west UW-Madison campus, and the UW-Milwaukee master plan initiative. Also to be funded are the School of Freshwater Sciences, which is already in design; an integrated research complex at UW-Milwaukee, an Eau Claire academic building, and classroom renovations. The UW-Madison School of Nursing was in and out of the last biennial budget; ultimately, the university was directed to plan the school and to request it for enumeration for 2011-13. In addition, funds for a UW-Whitewater project that failed to pass at the end of the last legislative session are being held in reserve. A storied situation at UW-River Falls is the poor space that needs replacement, for which advance enumeration will be requested in 2011-13.

Challenges to meeting institutions' needs are exemplified by the need for an addition at UW-Whitewater to house a dance program. Although UW-Whitewater has the funds available, the advance enumeration process delays progress. A similar situation at UW-Madison is delaying that project. Mr. Miller suggested the legislature should better match the level of risk with the level of approval that is required. Proposals in the budget request will include the same recommendations that the Board has previously endorsed, for changes related to cost thresholds and project delivery methods.

In closing, Associate Vice President Miller said that projects are now designed to meet L.E.E.D. standards or are L.E.E.D.-equivalent. Campuses are also adopting other energy-saving measures. The legislature has appropriated more than \$80 million in program revenue funding, with \$64 million of that used on UW campuses. Debt service is paid through utility savings, with an average payback period of eight years. Every institution is working diligently toward sustainability and energy conservation.

Regent Loftus asked about a planned athletic performance facility at UW-Madison. Mr. Miller said that this facility would be as much as 40-percent gift-funded. It is an addition to the McClain Center at UW-Madison. Noting that the capital budget is a clear case where priorities are designated, Regent Loftus also asked about the Nursing-Science Center and UW-River Falls. Mr. Miller said that the Nursing Science Center has a guarantee of a \$17 million gift.

Regent Pruitt thanked the Board for a good discussion, one which will lay the groundwork for the August-meeting vote on a 2011-13 budget request.

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## **COMMUNICATIONS, PETITIONS AND MEMORIALS**

President Pruitt, following up on his previous communication to the Board, noted that the August meeting will include a review of the hiring policy for Chancellors, Senior Vice Presidents, and Vice Presidents. He said that he has asked Board Secretary Jane Radue to lead the process of reviewing relevant policies in this area and pulling together ideas for the Board to consider in clarifying the process for interim appointments to these positions.

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The meeting was recessed at 12:20 p.m. and reconvened at 12:40 p.m.

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## **CLOSED SESSION**

The following resolution was moved by Regent Loftus, seconded by Regent Falbo, and adopted on a roll-call vote, with Regents Bartell, Bradley, Crain, Danae Davis, Stan Davis, Evers, Falbo, Loftus, Manydeeds, Pruitt, Schwalenberg, Spector, Walsh, Wingad, and Womack voting in the affirmative. There were no dissenting votes and no abstentions.

### **Closed Session Resolution**

Resolution 9799:           That the Board of Regents move into closed session to discuss collective bargaining activities at UW institutions, as permitted by s. 19.85(1)(e), Wis. Stats., and to consider annual personnel evaluations, as permitted by s. 19.85(1)(c), Wis. Stats.

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The meeting was adjourned at 2:30 p.m.

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Submitted by:

/s/ Jane S. Radue  
Jane S. Radue, Secretary of the Board  
Office of the Board of Regents  
University of Wisconsin System