

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in Ullsvik Hall  
Harry & Laura Nohr Gallery  
University of Wisconsin-Platteville  
Platteville, Wisconsin

Thursday, April 7, 2011  
10:00 a.m.

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-President Pruitt presiding-

PRESENT: Regents Jeffery Bartell, Mark Bradley, Judith Crain, Danae Davis, Stan Davis, John Drew, Anthony Evers, Michael Falbo, Thomas Loftus, Edmund Manydeeds, Charles Pruitt, Brent Smith, Michael Spector, José Vásquez, David Walsh, Aaron Wingad and Betty Womack

UNABLE TO ATTEND: None

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## **PRESIDENT'S GREETING**

President Pruitt welcomed Regents and others to UW-Platteville. He thanked the meeting's hosts, Chancellor Dennis Shields and his staff, for all of their hard work in preparing for the Board's visit, saying Board members looked forward to their meetings, and to Friday's investiture ceremony. President Pruitt began by introducing Chancellor Shields, who would invite attendees to "Celebrate UW-Platteville."

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## **UW-PLATTEVILLE PRESENTATION: "CELEBRATE UW-PLATTEVILLE"**

Chancellor Shields welcomed Regents, his fellow chancellors, and other guests to UW-Platteville, saying that he and UW-Platteville staff were extraordinarily pleased to host the Regents for their meeting. He said that for the past 13 years, UW-Platteville has been the fastest-growing institution in the System, having nearly doubled in size during that time. He attributed the growth largely to the vision of Chancellor Emeritus Markee's Tri-State Initiative. Chancellor

Shields said that he believed that higher education institutions must take greater control of their destiny. He said that the Wisconsin Idea Partnership recognizes that the landscape of funding for higher education is shifting. At UW-Platteville, the institution has been trying to take greater charge of funding issues. Chancellor Shields said that the university is in the midst of a major capital campaign, is ramping up entrepreneurial academic activity, has hired more grant writers, is developing strategic plans, and is engaging in a public-private partnership to build a new residence hall.

The chancellor introduced a video which would “celebrate UW-Platteville” by showing highlights of the university. Among the points made in the video were the following: UW-Platteville began as the state’s first teacher-preparation institution and has remained committed to education. UW-Platteville has increased enrollment by 48 percent, to almost 8,000 students, in the last 13 years. UW-Platteville is the largest enterprise in southwestern Wisconsin, and is a key player in the cultural and economic development of the tri-state region. UW-Platteville is well positioned to meet new challenges as the state’s “pioneer” in higher education.

The video described programs that have helped, and would continue to allow, UW-Platteville to control its own destiny. The video paid special attention to the Tri-State Initiative, which came about because workplace shortfalls were identified in such areas as engineering, industrial technology, criminal justice, agriculture, and business, which UW-Platteville could meet. Students qualify for the Tri-State Initiative by being Illinois or Iowa residents and choosing a major that is within the Initiative. Students receive a discount on out-of-state tuition. About 114 positions have been added through funding by the Tri-State Initiative. The program has increased the diversity of the campus. The program operates on a cost-recovery basis and has also had significant success in bringing grant funding to the institution. Curricular changes were noted, including a new class in infrastructure engineering in the civil engineering program.

The video also described the high value placed on the “360-degree student,” and detailed students’ active involvement in the community through service learning, multi-semester undergraduate research projects, the forensic investigation program, study abroad, athletic programs, liberal arts, and other areas.

In closing his portion of the agenda, Chancellor Shields extended an invitation to Regents to visit UW-Platteville as often as they would like.

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## **2011-13 BIENNIAL BUDGET UPDATE**

### ***Joint Finance Committee Discussion***

Introducing the biennial budget discussion, President Pruitt reminded Regents that at the last Board meeting Board members reviewed Governor Walker’s proposed 2011-13 state operating budget and engaged in a high-level discussion about the Wisconsin Idea Partnership – the UW System’s proposal to provide new operational flexibilities to all UW institutions. The

Wisconsin Idea Partnership is a win-win proposition. President Pruitt expressed pride that 13 of the 14 chancellors had endorsed the Wisconsin Idea Partnership, the penultimate compromise with the Governor's budget, which will allow UW-Madison to achieve all of the flexibilities it needs, while staying part of the UW System.

At the present meeting, President Reilly and his staff would offer an update on budget-related activity since the last meeting, with topics to include the 2011-13 capital budget and efforts to obtain greater administrative freedom from the state.

President Pruitt said that during the prior week, President Reilly and a number of UW chancellors addressed the Legislature's Joint Committee on Finance during the "agency briefing," where legislators engage in their first discussions about the state's biennial budget proposal, in advance of taking any action on the individual components of the bill. A number of UW chancellors and colleagues joined President Reilly to represent the university's interests. Chancellor Debbie Ford came with prepared testimony, but several others were invited by legislators to offer extemporaneous remarks, including: Chancellors Ray Cross, from UW Colleges and UW-Extension; Mike Lovell, from UW-Milwaukee; Bidy Martin, from UW-Madison; Bernie Patterson, from UW-Stevens Point; and Rick Wells, from UW-Oshkosh. Chuck Sorensen, Chancellor of UW-Stout, and Dick Telfer, Chancellor of UW-Whitewater, also attended.

The next step of the budget process would be the Joint Finance Committee public hearings, including hearings being held at UW-Stevens Point and UW-Superior, which would provide citizens with an opportunity to address the legislature about various aspects of the state budget.

President Pruitt stressed that any discussion of the UW System budget must begin with the UW System's vital mission, and the premise that Wisconsin needs more well-prepared college graduates, more well-paying jobs, and more engaged citizens in the 21st-century knowledge economy. If Wisconsin attracts only employers, but lacks the well-educated workers to fuel the employers' success, those companies will leave. If the focus is only on producing more college graduates, but there are no good jobs, the graduates will go to where the jobs are. Because of the educated workforce and the jobs the UW System helps create, the UW System must be a core pillar of the State's economic development strategy. President Pruitt said that this sentiment was echoed by several legislators at the UW System briefing.

President Pruitt recalled the participation of UW leaders from across the state in a series of Economic Summits last year. The UW joined with elected officials, economic development specialists, business leaders, educators, and others to develop some innovative strategies. This process produced the "Be Bold Wisconsin Prosperity Strategy." This report highlighted several areas related to the UW, including the suggestion that the UW "raise the percentage of four-year degree holders in the state to a level that puts Wisconsin in the top tier of states." The same report further recommended that the UW "capitalize on the State's research and development strength" by supporting more research on UW campuses and creating new emerging technology centers to facilitate partnerships between UW campuses and private companies.

President Pruitt said that it is important to remind people of the concerted efforts made to partner with the business community, and the strong support received from the private sector in the university's push to gain greater flexibility to better serve the people of Wisconsin.

### ***Effect of State Funding Cuts***

President Pruitt introduced President Kevin Reilly, to provide more detail about President Reilly's Joint Finance Committee testimony. President Reilly began his remarks by saying that as the Board discusses various budget provisions, it is important to know that he asked legislators to look for any opportunity to reduce the funding cuts and help find ways manage the cuts most effectively, in the interests of UW students and others around the state.

President Reilly said that it is important to keep the university's mission front and center in discussions with the Joint Finance Committee and others. Any analysis of the System's budget must begin with the impact on UW students' education and expenses. The Higher Education Aids Board budget provides flat funding for the Wisconsin Higher Education Grant (WHEG)-UW program, the largest source of state financial aid for UW students. Meanwhile, the number of students eligible for the WHEG-UW program is growing, and the program is already experiencing significant shortfalls. Also in the budget proposal, there are no additional funds to hold students harmless from tuition increases; that was done through the need-based Tuition Incentive Grant (TIG), used the past two years to insulate low- and middle-income students from tuition income. Taken together, these funding choices have a large impact on current and prospective students. President Reilly pledged that he and the chancellors would work hard to try to identify ways to minimize the effect of this bad news on students.

### ***Capital Budget***

Turning to the capital budget, President Reilly said that the quality of facilities often plays a big role in the decisions that students make about where to enroll. The 2011-13 capital budget would have a positive effect on UW campuses, providing long-term investments in facilities that would enhance teaching, research, and student life all across the state. President Reilly introduced Associate Vice President David Miller to present the capital budget and major funded projects.

Mr. Miller provided an overview of the capital budget, presenting a chart showing major projects by funding source. The General Fund column totaled approximately \$385 million. This is higher than the amount the Board of Regents had recommended when it submitted its budget.

Mr. Miller also provided a project breakdown, showing program revenue and grant-and-gift-funded projects that were approved as requested by the Board in their totality. The total of \$229.5 million compares to about \$555 million, excluding the Charter Street heating plant, in 2009-11. The decrease is due to the difference in the type of projects; there are fewer large, new projects and more renovation projects. Mr. Miller showed a rendering of the new UW-Eau Claire Education Building, a \$44-million General-Fund-Supported project, currently in design. The second tower of the Wisconsin Institutes for Medical Research is also funded, as is the UW-

Madison School of Human Ecology. The UW-Milwaukee Initiative was funded over three biennia; two major UW-Milwaukee projects are underway, the Interdisciplinary Research Complex and the School of Freshwater Sciences. The UW-Madison Nursing Building is also included in the budget.

In renovating buildings, Associate Vice President Miller said that the goal was to do more with the limited resources available. He provided an example of the UW-Whitewater Carlson Hall remodeling, which would use \$17-million in savings from other projects to make dramatic improvements. He also provided an example of a greatly upgraded and improved lecture hall in UW-Madison's Sterling Hall.

The budget achieves a totally new program, Mr. Miller said. All-agency projects have been limited to a budget of \$3 million. A new flexible fund, started with \$50 million, would provide for whole-building projects; a list of about 30 such projects already exists. Deferred-maintenance projects still exist, and the pool of flexible funds needs to be increased to address these needs at a faster rate in future biennia.

The UW-River Falls Health and Human Performance Building was highlighted. After 12 years of requests, the project has finally been funded, thanks in no small part to the efforts of Chancellor Dean Van Galen, Mr. Miller said.

The process of renovating residence halls built in the 1950s and 1960s is also beginning. Mr. Miller showed pictures of a typical residence-hall renovation project.

Associate Vice President Miller then responded to a question from Capital Planning and Budget Committee Chairman Jeff Bartell, who asked how to fill the gap between the \$50 million available for flexible-funding projects and a \$350 million need. Mr. Miller responded by saying that some projects could be phased, with some floors done at one time, and other floors at another time; however this still requires the building to be emptied during the renovation. He also mentioned an increase in funding for energy-efficiency projects; the UW will benefit from this.

President Reilly thanked Mr. Miller for the snapshot of the capital budget, expressed thanks to the Governor for a very positive capital budget, and also noted the positive impact of the capital budget on jobs in the state.

### ***Operating Budget***

President Reilly noted that while the capital budget is good news, UW System's treatment in the proposed operating budget presents more challenges. Specifically, the Governor's budget would remove \$250 million in GPR support for the UW System over the biennium. President Reilly said that he explained to the Joint Finance Committee that cuts of this magnitude would have significant impacts on all UW students, faculty and staff, as well as on the educational programs and services the UW provides.

Under the Governor's proposal, UW-Madison would absorb a 13-percent cut to GPR. The budget calls for GPR reductions that average out to an 11-percent cut for UW-Milwaukee, the 11 regional comprehensive campuses, UW-Extension and the 13 freshman-sophomore UW Colleges. Because these institutions are more GPR-dependent than UW-Madison, the relative impact of these cuts could be at least as severe at those campuses.

President Reilly said that to illustrate the impact on students, Chancellor Ford shared a letter in her remarks to the Joint Finance Committee. The letter was a message from a prospective student to an admissions ambassador and peer mentor in UW-Parkside's award-winning Theatre Arts Department. President Reilly quoted from the letter, as follows: "I was actually planning on mailing my response letter this week. I unfortunately am not planning on attending the program at Parkside. Between the uncertainty with the UW System's Madison breaking off as well as the forthcoming budget cuts to the UW System I don't feel comfortable going to Parkside any longer. I am going to a bigger college that seems much stabler (sic) at this time. I really regret this decision, and it was not taken lightly. If the circumstances were different, UW-Parkside would have been my final decision. I loved your program and I loved the professors I met there. I wish the theatre department the best of luck in the future." This illustrates how even the discussion of major cuts and structural changes can begin to impede the educational mission, President Reilly said.

President Reilly observed that students are not the only people who are concerned. Many campus colleagues worry that professional development, programmatic support, and other services provided to faculty and staff around the state would be diminished, due to a requirement that UW System Administration take a 25 percent GPR cut. This reduction would make it harder for System Administration to facilitate collaboration and joint programs, and less likely to be able to work with campuses to achieve new cost savings. With that in mind, and with President Pruitt's endorsement, President Reilly said that he was establishing a special committee of Regents, campus colleagues, and System staff to help recommend which System functions could be dropped or modified, as well as to identify those of high value to the Regents and the institutions.

As discussed last month, the Governor's proposed budget provides flexibilities to only one UW campus, and it does it in a way that fractures the UW System. However, the Governor has said that he was willing to work with the UW, and with legislators from both parties, to provide all UW System campuses with new managerial flexibility immediately.

President Reilly used an analogy to explain the budgeting problem. He described a discussion around a family kitchen table, in which family members are looking at their resources and needs. Groceries, utilities, transportation, clothing, and other expenses must be balanced against the total family earnings; if the price of gas goes up, the family might have to make the hard choice to cut back on certain groceries, clothing, or other expenses. At the university, by contrast, no matter how well spending on groceries or clothing is managed, the university still cannot use that money to put gas in the tank, even if that is where the greatest need lies. Without changing the UW's governance structure or splintering the UW System, legislators can amend state laws in ways that would allow UW chancellors to use savings from the grocery budget to put gas in the tank.

Budgeting is only one area addressed in the Wisconsin Idea Partnership. Since the last Board meeting, using the Governor's budget proposal as a benchmark, the System has drafted specific statutory changes that could accomplish reforms while keeping the highly-regarded UW System together. President Reilly invited Senior Vice President Michael Morgan to elaborate.

### ***Details of Wisconsin Idea Partnership***

Senior Vice President Morgan said that the Wisconsin Idea Partnership is proposed as an alternative to the New Badger Partnership, included in the Governor's budget. The Wisconsin Idea Partnership keeps the current governance structure and seeks flexibility in the areas of budgeting, tuition pricing, human resources, capital planning and construction, financial management, and purchasing and procurement. Mr. Morgan said that the UW System's proposed amendment to the budget bill was a document of about 60 pages, available on the UW System website. This amendment was refined during a series of briefings with UW chancellors.

Mr. Morgan noted that under the Wisconsin Idea Partnership the UW would remain a unified public university, under the control of the UW Board of Regents. Existing administrative rules would remain, as would the shared governance and other provisions of Chapter 36, Wis. Stats. The UW's commitment to transparency and accountability would remain intact.

Senior Vice President Morgan focused first on budgeting, saying that the UW was requesting an amendment to the budget bill that would provide the ability to move funds among appropriations, with the flexibility to prioritize available funds to address emerging needs. Currently, GPR and other funds are allocated in earmarked silos, with no ability to move or reprioritize funds, which limits chancellors' ability to manage. Under the Wisconsin Idea Partnership, the Board would receive a GPR block grant, which the Board would move to the UW institutions to use for any appropriate university purpose. Savings could be used to fund core operations, technology, and other needs.

Pricing flexibility pertains to the ability to set tuition levels to meet the needs of students, enhance educational quality, address competitive compensation challenges, improve student services, and increase retention and graduation rates. Under current law the Board of Regents has tuition-setting authority, but it is restricted so that undergraduate rates are essentially determined outside the control of the Regents and the institutions. The Wisconsin Idea Partnership would give the Board of Regents authority to set tuition levels for UW institutions so that all would have the ability to meet students' needs while maintaining educational quality. Policies would need to be developed related to affordability, a traditional concern of the Board. Funds could be generated for unique value-added programs.

Human resources flexibility is needed to provide all UW institutions with the capability to address challenges associated with staff recruitment and retention related to institutional missions. Senior Vice President Morgan said that the major change in this area would be that the Board of Regents' authority would replace that of the Office of State Employment Relations. University-specific classification titles could be created, and greater authority over compensation would be under the control of the Board. The Board also would have bargaining and contract-administration responsibilities with respect to classified and unclassified employees. Mr.



Morgan expressed his belief that there is nothing in the New Badger Partnership, proposed as part of the Governor’s budget, that could not be done as part of the Wisconsin Idea Partnership.

In capital planning and construction, Mr. Morgan said that the needed flexibility was the ability to reduce project costs by streamlining the planning, design, and approval processes and by placing the responsibility and accountability for these projects closer to the UW institutions, which currently face many state restrictions. The legislature would continue to enumerate all projects over \$500,000 funded with General Fund Supported Borrowing or Program Revenue Supported Borrowing. The State Building Commission would continue to approve all projects over \$500,000, regardless of fund source. The Board of Regents would have the authority to undertake projects under \$500,000 funded entirely from sources other than GPR or General Fund Supported Borrowing without enumeration or Building Commission approval. UW institutions could manage all aspects of non-GPR and non-General Fund Supported Borrowing projects. The Board would be able to accept gifts of land and other real property or to allow privately-owned or operated facilities to be constructed on university land. The Board could independently enter into off-campus leases for space and sell real property.

In the financial management area, Senior Vice President Morgan said that the university was seeking the ability to manage all finances and investments and retain all interest earnings on university resources. Currently, the state can sweep the interest from the earnings of accounts the university manages. The Wisconsin Idea Partnership amendment would allow the Board of Regents to retain interest earnings, to be managed by the state Investment Board, and also to invest surplus funds. Statutory limitations on certain application fees and other income would be removed; also, the Board would be able to determine the percentage of trust funds that could be held in common stock, without being subject to the current 85-percent limitation.

In the procurement area, Mr. Morgan said that the Wisconsin Idea Partnership would provide the ability to manage purchasing of goods and services related to the higher education mission; to participate in higher education purchasing consortia for the purchase of goods and services; and to manage fleet vehicles, travel policy, insurance, and other areas to reduce costs. Current law does not address the specialized needs of universities, and the Wisconsin Idea Partnership amendment would change this. The new authority would be further delegated from the System to the institutions. About 85 percent of all travel for the state is done by UW System employees, but the state controls all of that activity, Mr. Morgan said.

Mr. Morgan concluded his remarks by saying that, to a large extent, the proposed New Badger Partnership and the Wisconsin Idea Partnership were identical with respect to the desired flexibilities. Mr. Morgan noted that examples had been added to the Wisconsin Idea Partnership summary on the UW System website.

***Board Discussion of Wisconsin Idea Partnership***

Regent Bartell, saying that he reviewed the documents Mr. Morgan had mentioned, including the 60-page draft amendment, commented that there was nothing magical about the public-authority status UW-Madison would be given in the New Badger Partnership proposal, because this authority would be a creature of statute and could be changed. He asked how the

flexibility requested in the Wisconsin Idea Partnership would be delegated to the UW institutions; this is not addressed in the proposed amendment. Senior Vice President Morgan said that the Board of Regents would have to take action to delegate the new flexibility. Regent Bartell asked if this delegation should be included in statute, so that the Board of Regents has guidance now and in the future as to what was intended. Senior Vice President Morgan said that the current Board of Regents would be delegating the flexibilities, as indicated in the Board's resolution of March 10, 2011.

President Reilly added that he intended to suggest that the UW System include as a regular part of its regular accountability report a description of how it is devolving the flexibilities to the campuses. This would be part of the written accountability report, as well as testimony before the two legislative higher education committees. General Counsel Tom Stafford noted that s. 36.09(f), Wis. Stats., says that the Board shall delegate to each chancellor the necessary authority to operate each institution; therefore the issue of delegation is already addressed in the statutes.

Regent Womack said that there is a perception in the public arena, and on the part of the Governor, that UW System Administration has become a cumbersome bureaucracy that "siphons money from classrooms while imposing more red tape" on UW institutions. She asked how the Wisconsin Idea Partnership would affect the way the System allocates funds for human resources and other areas. Senior Vice President Morgan responded that the UW is one of the most efficient university systems in the country. The System works closely with UW institutions to try to reduce red tape. The Wisconsin Idea Partnership gives a new framework to strengthen the way that the System Administration works with the institutions. Further, he noted that the human resources area is largely controlled by the state Employment Relations office. Based on his own experience in UW System Administration, Mr. Morgan said that he could not offer any insight on the Governor's perception or comments.

Regent Vásquez commented that he would be hesitant to ask for more language in state statutes related to the delegation of flexibilities. He said that as a Regent, he clearly understood the intent and the spirit of delegating responsibility to the UW institutions. He said that he trusted that this and future boards would exercise this responsibility in an expeditious manner.

Regent Danae Davis asked a question about the intent, under the Wisconsin Idea Partnership, that the Board would delegate all flexibilities, as opposed to project by project, in the construction area. She also asked about accountability reporting, and how this would change. Senior Vice President Morgan said that the current accountability report addresses a number of important measures that are important to the System; the System would in the future work with legislators to ensure the accountability reports would address measures important to the Legislature.

As to construction, Mr. Morgan asked Associate Vice President Miller to respond to Regent Davis's question; Mr. Miller said that UW-Madison, for example, had a large number of architects on staff and would, in time, be able to complete projects without the Division of State Facilities. Thirteen major components, including "construct the building," are areas involved in a construction project; raising the level of professional services systemwide would be a

significant task; each UW institution would have to determine if they wanted to hire staff, contract out for services, hold the contract, and other construction-related matters.

Regent Loftus said that Regents, having been appointed by the Governor and confirmed by the state Senate, have a responsibility to all of the people of the state. The state is very divided; the UW's presenting two competing proposals to the Legislature adds to the confusion. The chancellor at Madison wrote to the other chancellors suggesting a "legislative compromise." Authority concerning legislative matters is statutorily assigned to the Board of Regents, which in turn, authorizes the System President to represent the Board, under the assumption that the President consults with the Board. In this way, the System comes to the Legislature with one voice. The Board has an obligation to the people of Wisconsin to develop that one voice. The Regents should get back in the action; any proposal that goes to the Legislature should go there after consultation with the Board. The chancellors should reject the idea that they would negotiate with each other and develop a compromise.

Regent Bradley, saying he was sympathetic to this point of view, said it was necessary to also raise the question about what a chancellor is supposed to do if a Governor contacts a chancellor to discuss ideas. Regent Loftus responded that, based on his first-hand experience, he believes there is nothing wrong with this. He called the chancellor when he was in the Legislature. Chancellors came to the Legislature with one big voice, but also with the concerns of each campus. Regent Loftus said that the Board of Regents has the statutory obligation to govern the System, and the budget proposal comes from the Board. The Board should have only one budget proposal.

Regent Walsh said that at the last Board meeting the Board expressed its support, through a resolution, for the Wisconsin Idea Partnership; Board members are advocates for that proposal. Referring to Regent Bartell's questions about the statutes, Regent Walsh suggested that Regent Bartell's question was about how to give more comfort to the chancellors that their concerns would be addressed.

Regent Walsh said that when Chapter 36 was rewritten to accomplish merger, the law was written in a way that required interpretation. The Board of Regents was empowered to promulgate rules and perform other duties; the primary responsibility is the governance of the System "to promote the widest degree of institutional autonomy within the controlling limits of the System." It was the responsibility of the Board to address those issues about which the chancellors were concerned. Chapter 36 has a lot of power in it, he said. Specifics regarding autonomy and delegation could be written into policy or addressed in the mission statement of the statute. The Board should give the chancellors some comfort, and the Board should be the one to propose legislation. Regent Walsh said that regardless of how it happened, the present situation was one in which there were two pieces of legislation. The Board should move forward with promoting the Wisconsin Idea Partnership and could also be responsive to the chancellors.

President Pruitt called the Board's attention to a letter that he and Vice President Spector sent the day before to the Joint Committee on Finance, in which he and Vice President Spector affirmed the Board of Regents commitment to delegate to each chancellor the flexibilities contained in the Wisconsin Idea Partnership, while maintaining necessary Board of Regents

oversight responsibility. The letter went on to say that at the March 10, 2011 meeting of the Board, the Board affirmed this commitment when it affirmed a resolution in support of the Wisconsin Idea Partnership.

Regent Falbo remarked that administration of the Wisconsin Idea Partnership would be from bottom to top. The Board of Regents hires the best people to run the universities; this is the Board's primary responsibility. The Board's next responsibility is to let those people lead. The System's resources should be used from the bottom up, not the top down.

Regent Drew remarked that the chancellors were hired by the Board of Regents. When it comes to policy that affects the entire System, the System should speak with one voice. In addition, Regent Drew asked about the capital planning and construction area; the Wisconsin Idea Partnership would require the UW to adopt policies related to minority and veteran business goals, whereas the New Badger Partnership would not require UW-Madison to adopt such policies. General Counsel Stafford said that UW-Madison could put such policies in place, if it so chose.

Regent Bradley asked about each institution's handling of human resources matters. Senior Vice President Morgan said that each institution could have its own approach to titling and classification; however, as a policy matter, and in working with the chancellors, the System may wish to design a system that is not too unwieldy to operate. General rules may apply, if appropriate.

Regent Bradley referred to tuition pricing flexibility and observed that students and families would need to consider specifically what they would pay at a particular institution. He suggested that there would not be a "comprehensive campus tuition schedule." President Reilly affirmed that there would not be such a schedule, but noted that with differential tuition, pricing is already different across institutions. Regent Bradley concluded that differential tuition proposals would not be necessary if the Wisconsin Idea Partnership were approved. President Reilly agreed that this would be the goal.

Regent Crain, recalling that the Board took strong action at its last meeting, asked if further action would be requested of the Board at the current meeting. President Pruitt agreed that the Board spoke loudly and clearly in March. The proposal had been further developed since then, and advocacy for the proposal would be important in the future.

Regent Wingad said that student leaders had expressed concern. Students have input into differential tuition proposals at individual institutions. In developing a future tuition structure, retaining student involvement would be essential for gaining student buy-in. Also, Regent Wingad supported Regent Bartell's concern, saying that he has been impressed by the chancellors' unified support for the Wisconsin Idea Partnership, and that it was important to be responsive to the chancellors' concerns.

President Reilly said that he believed the chancellors' intent would be to continue to engage in consultation with students before bringing tuition proposals forward in the future. A board will still have to improve tuition increases, regardless of the governance structure.

President Pruitt recognized Chancellor Joe Gow, who commented that differential tuition had been a very positive thing at UW-La Crosse. Making consultation explicit is not a radical idea. Regarding legislative relations, the chancellors feel encouraged to speak with legislators; legislators from his region support more responsibility for the institution. The contentious question is who is responsible for oversight of UW-Madison, not the question of flexibilities.

Chancellor Biddy Martin said that it is chilling to suggest that chancellors should not be allowed to talk with one another. Also, she said she wished to clarify the record; when she made a suggestion to other chancellors regarding a compromise, she sent the suggestion at the same time to President Reilly. She asked for a meeting to discuss an amendment to the Governor's budget bill because she believed the most realistic opportunity to gain flexibilities for all of the institutions was to add to what was already in the Governor's budget, rather than to oppose it and ask for less for Madison. She said that President Reilly asked that the chancellors and he not meet together until a written analysis of a budget amendment was completed. In addition, she said that the comparison chart between the Governor's budget bill and the Wisconsin Idea Partnership was one with which the UW-Madison legal staff did not agree. She said she brought to the meeting another version of how the two compare.

Chancellor Martin said that she understood the importance of speaking with one voice when there is agreement; in the current situation, there was honest disagreement about what is best for UW-Madison and the other institutions. She said the lack of interest in differentiating UW-Madison made her less trusting of the forms of differentiation and delegation that would occur. UW-Madison's market, competition, and audience is global, as well as within the System. UW-Madison needs every tool that is in the Governor's budget, she said. She suggested taking the approach of adding to the current budget by keeping the gains for UW-Madison and getting more for the other institutions, in addition. Responding to an earlier question about red tape, Chancellor Martin said that the Governor and legislators had heard about the problems of red tape at the System level from other chancellors, as well; impediments do not exist only at the state level, she said.

Recognized next, Chancellor Wells spoke as a chancellor from what he called one of the "greater Wisconsin universities." Speaking to the issue of how to ensure the flexibilities would move to the institutions, Chancellor Wells said that in his 11 years in the System, he had observed that when System Presidents and the Board gave their word, they kept their word. The rules of no surprises and keeping one's word helped to maintain good relationships among leaders. There is only so much delegation that should be put in legislation; he said he could count on the word of the Presidents of the System now and in the future, and of Regents now and in the future. He said that a lot of the "red tape" that comes from the System actually comes from the state; those at the institutions may not even be able to discern which type of red tape is which.

President Reilly concluded the budget discussion by saying that the next day, Associate Vice President Heather Kim would present the 2011 Accountability Report, measuring the university's performance across a variety of benchmarks. In addition to other feedback from the Joint Committee on Finance, President Reilly said he heard some legislators say that the current report is too exhaustive, that a simpler, leaner report may be more useful for their purposes.

President Reilly said that the UW System should listen to that feedback, keeping in mind the need to remain focused on a broader set of performance measures for the university's own continuous improvement purposes.

President Reilly suggested that it would be a good time to revisit the original intent for the accountability report, conceived as a way to demonstrate the UW's performance to the state's elected officials, earn their trust, and secure specific operational flexibilities. He said that further discussions could occur with legislators about which measures are most useful to them. Future accountability reports should include a special section focused on measuring implementation and delegation of any new administrative flexibilities that are provided in the budget.

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The meeting was adjourned at 12:25 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