

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in Varsity Hall II
Union South
University of Wisconsin-Madison
Madison, WI 53715

Friday, December 9, 2011
9:00 a.m.

APPROVAL OF THE MINUTES OF THE JULY AND SEPTEMBER MEETINGS ..... 4
UPDATE ON LEGISLATIVE TASK FORCE ON UW RESTRUCTURING AND OPERATIONAL FLEXIBILITIES ..... 4
PRELIMINARY ISSUES RAISED BY TASK FORCE MEMBERS ..... 5
AIMS MCGUINNESS’S PRESENTATION..... 5
DIRECTION OF THE TASK FORCE ..... 6
INTERIM REPORT OF AD HOC WORK GROUP ON SYSTEM STRUCTURE AND GOVERNANCE ..... 7
REPORT OF THE PRESIDENT OF THE SYSTEM ..... 8
UPDATE FROM UW-MADISON POLICE CHIEF ON UW INSTITUTIONS’ PROGRESS ON SAFETY ISSUES ..... 8
UW System Task Force Recommendations ..... 8
Crisis Communication ..... 9
Focus on Prevention ..... 10
REPORT ON UW SYSTEM RESPONSE TO PROPOSED BIENNIAL BUDGET LAPSE ..... 11
EFFECT OF POTENTIAL BUDGET LAPSE ON SEVERAL UW INSTITUTIONS ..... 12
UW-Milwaukee ..... 12
UW-Parkside ..... 13
UW-Eau Claire ..... 13
Regent Discussion ..... 15
UPDATE ON VOTER ID ..... 16
OTHER LEGISLATIVE UPDATES ..... 16
NEWS FROM AROUND THE SYSTEM ..... 16
UW-Madison Student Awarded Rhodes Scholarship ..... 16
UW-La Crosse Professor Named 2011 WI Professor of the Year ..... 16
UW-Oshkosh’s Integrated Marketing & Communications Team Honored ..... 17
UW-Stout Acknowledged with Diversity Award ..... 17
UW-River Falls Receives Grant for Center for Dairy Farm Safety ..... 17
UW-Eau Claire Pilots “Transitions Program” to Facilitate Transfers ..... 17
UW-Parkside Partners with Engineering Firm ..... 18
UW System Administration Staff Awards ..... 18
Football Champions ..... 18
REPORT OF THE CAPITAL PLANNING AND BUDGET COMMITTEE ..... 18
COMMITTEE BUSINESS ..... 18
Request Authority to Modify UW-Eau Claire Campus Boundary ..... 19
UW-Madison Carson Gulley Renovation Project ..... 19

<i>Demolition of UW-Madison Campus Buildings</i> .....	19
<i>UW-Madison Memorial Union Theater Wing Renovation – Phase I Project</i> .....	19
<i>UW-Madison Kohl Center South End Club and Audio/Video Relocation Project</i> .....	20
<i>UW-River Falls Health and Human Performance/Recreation Building Project</i> .....	20
<i>UW-Superior Land Lease for Lake Superior National Estuarine Research Reserve</i> .....	20
<i>All Agency Maintenance Projects</i> .....	20
<i>UW System Administration Major Capital Projects Evaluation Criteria</i> .....	20
CONSENT AGENDA.....	21
<i>Authority to Modify the Campus Boundary, UW-Eau Claire</i> .....	21
<i>Approval of the Design Report and Authority to Construct the Carson Gulley Renovation Project, UW-Madison</i> .....	21
<i>Authority to Demolish Buildings on the UW-Madison Campus Using Building Trust Funds, UW-Madison</i> .....	21
<i>Approval of the Design Report and Authority to Construct the Memorial Union Theater Wing Renovation- Phase I Project, UW-Madison</i> .....	21
<i>Approval of the Design Report of the Kohl Center South End Club and Audio/Video Relocation Project and Authority to Construct the Project, UW-Madison</i> .....	22
<i>Authority to Request the Release of Building Trust Funds to Continue Planning the Health and Human Performance/Recreation Building Project, UW-River Falls</i> .....	22
<i>Authority to Enter into Land Lease Agreements and to Acquire Real Property for the Long-term Operation of the Lake Superior National Estuarine Research Reserve, UW-Superior</i> .....	22
<i>Authority to Construct All Agency Maintenance and Repair Projects, UW System</i> .....	22
<i>Approval of the Criteria for Ranking General Fund Major Projects, UW System</i> .....	22
JOINT MEETING WITH THE BUSINESS, FINANCE, AND AUDIT COMMITTEE.....	23
REPORT OF THE ASSOCIATE VICE PRESIDENT .....	23
<b>REPORT OF THE EDUCATION COMMITTEE .....</b>	<b>23</b>
COMMITTEE BUSINESS.....	24
<i>UW-Madison Presentation: “Resource Stewardship: Educational Innovations”</i> .....	24
<i>UW-Parkside: Establishment of UW-Parkside Colleges</i> .....	24
REPORT OF THE SENIOR VICE PRESIDENT .....	24
CONSENT AGENDA.....	25
<i>Program Authorization (Implementation) B.S./B.A. in Environmental Science, UW-Whitewater</i> .....	25
<i>Program Authorization (Implementation) B.A./B.S. in Computer Science, UW-Whitewater</i> .....	25
<i>Program Authorization (Implementation) Collaborative Online B.S. in Health Information Management and Technology, UW-Green Bay, UW-Parkside, and UW-Stevens Point</i> .....	25
<i>Establishment of Colleges at the University of Wisconsin-Parkside</i> .....	26
<b>REPORT OF THE BUSINESS, FINANCE, AND AUDIT COMMITTEE .....</b>	<b>26</b>
JOINT MEETING OF THE BUSINESS, FINANCE, AND AUDIT COMMITTEE AND THE EDUCATION COMMITTEE.....	26
<i>2010 Annual Report of the Wisconsin Partnership Program</i> .....	26
<i>Operations Review and Audit – Program Review on Students with Disabilities</i> .....	26
<i>UW-Milwaukee’s Contractual Agreement with CERNET Education Development Co., Ltd.</i> .....	27
OPERATIONS REVIEW AND AUDIT .....	27
<i>Compliance Review of the Implementation of Family Educational Rights and Privacy Act (FERPA) Regulations</i> .....	27
<i>Quarterly Status Report</i> .....	27
<i>Discussion of the Draft Operations Review and Audit Plan for 2012</i> .....	28
TRUST FUNDS: INVESTMENT POLICY STATEMENT REVIEW AND AFFIRMATION .....	28
MINUTES OF THE OCTOBER 6, 2011 MEETING .....	28
UW-MADISON CONTRACTUAL AGREEMENT WITH SUNOVION PHARMACEUTICALS, INC.....	28
QUARTERLY GIFTS, GRANTS AND CONTRACTS REPORT FOR 1ST QUARTER .....	28
REPORT OF THE SENIOR VICE PRESIDENT .....	29
<i>Status Update on Implementation of Act 32 Flexibilities</i> .....	29
<i>Human Resources System Status Update</i> .....	29

<i>eBenefit Pilot Program</i> .....	29
CONSENT AGENDA.....	29
<i>UW-Milwaukee Contractual Agreement with CERNET Educational Development Co., Ltd.</i> .....	30
<i>University of Wisconsin System Trust Funds Investment Policy Statement</i> .....	30
<i>UW-Madison Contractual Agreement With Sunovion Pharmaceuticals, Inc.</i> .....	30
<b>RESOLUTION OF APPRECIATION FOR UW-MADISON FOR HOSTING THE DECEMBER BOARD OF REGENTS MEETING</b> .....	<b>30</b>
<i>Resolution of Appreciation: UW-Madison</i> .....	31
<b>CLOSED SESSION</b> .....	<b>32</b>
<i>Closed Session Resolution</i> .....	32

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-Vice President Smith Presiding-

PRESENT: Regents Jeffrey Bartell, Mark Bradley, Judith Crain, Tony Evers, Michael Falbo, Tim Higgins, Edmund Manydeeds, Katherine Pointer, Charles Pruitt, Gary Roberts, Troy Sherven, Brent Smith, Mark Tyler, José Vásquez, and Gerald Whitburn

UNABLE TO ATTEND: Regents John Drew, Michael Spector, and David Walsh

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**APPROVAL OF THE MINUTES OF THE JULY AND SEPTEMBER MEETINGS**

Vice President Smith convened the meeting in the absence of President Spector, who had an unavoidable business commitment. Vice President Smith announced that the minutes of the July and September Board meetings had been distributed. There were no additions or corrections, and the minutes were approved.

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**UPDATE ON LEGISLATIVE TASK FORCE ON UW RESTRUCTURING AND OPERATIONAL FLEXIBILITIES**

Before initiating the first discussion topic, Vice President Smith thanked Interim Chancellor Ward for hosting a reception at the Chazen Museum the previous evening, which had provided interactions with members of the campus community, legislators, and others. He also acknowledged the presence of members of the UW Colleges and UW-Extension Leadership Academy, who were observing the meeting, and welcomed them.

For an update on the first meeting of the legislative Task Force on UW Restructuring and Operational Flexibilities, created as part of the biennial budget bill, Vice President Smith turned to Regent Falbo, chair of the Task Force. The group met for the first time on Wednesday,

December 7. Regent Falbo pointed out that Regents Higgins and Tyler were among those serving on the Task Force.

### ***Preliminary Issues Raised by Task Force Members***

Generally, Regent Falbo said, Task Force members were interested in how to make sure that the UW is accessible in terms of cost to students, while controlling the need for additional revenue. Issues presented by members during the introductory meeting included the desire to examine the relationship between the UW System and the technical colleges, how this has evolved since the merger, and how it should be designed. The Task Force will discuss issues are raised. Other issues included the need to develop a new contract between the state, the UW, and the taxpayers, with a focus on providing and ensuring opportunity for future generations. Changes are needed, and the Task Force should investigate flexibilities that can be provided to institutions and how resources can be used more efficiently.

### ***Aims McGuinness's Presentation***

The Task Force heard and participated in a three-hour presentation by Aims McGuinness, who suggested that the Task Force should clearly understand the issues to be addressed, problem areas, and the state's culture, especially the expectation of state government's role. Wisconsin has a strong tradition and culture of treating the UW System as a state agency, with strict state control over procedures and processes, how things are done. Dr. McGuinness also made an important distinction, which is separating the "what" from the "how." Regent Falbo said that there was a comment that the legislative charge of the Task Force included a lot of "hows," and not so many "whats," and this would need to be addressed as the Task Force's work progresses.

According to Dr. McGuinness, some states have moved away from this strict-state-control approach toward an emphasis on how the university assists in meeting the state's goals. The emphasis has been on a flexible management model with accountability. System governing boards should clearly define missions for institutions with clear lines of authority and responsibility and stay away from hands-on management of campuses. The governing board should set policy and an agenda, but avoid one-size-fits-all approaches, recognizing the differences in missions and capacities among the institutions. Basically, the state should determine the long term goals from the state, understand which of these goals should be met by the university system, create performance accountability measures and expectations for these goals, and then look to buy or fund those services from the university that will help the state achieve its goals.

Regent Falbo said that the Task Force's discussion after the McGuinness presentation covered things such as whether the state will provide public funding to public universities and also give up state control. He said that Dr. McGuinness's answer to that would be "accountability." There is a trade-off. The basis of discussions about accountability should be what is to be achieved, rather than how the UW System would achieve it. A decision about the extent to which higher education is considered a public good in Wisconsin needs to be informed by businesses and other leaders, Regent Falbo said. Education will be critical for economic development and growth.

Regent Falbo discussed the nature of accountability, saying that there are questions about whether institutions should be given flexibility before achieving the accountability performance metrics or afterwards, and what should be the consequences if the metrics are not met. He said that it is very important to determine the top two or three accountability benchmarks, such as the educational attainment of the population or assurance of transfer and articulation between institutions and systems.

### ***Direction of the Task Force***

Additional discussion about the direction of the Task Force included the suggestion that the Task Force needs to: hear about the issues and concerns affecting all institutions; clarify the problems that need to be addressed; and engage all of the stakeholders – business, and community leaders, but also UW faculty, staff, and students. The next step should be a presentation by the UW System on its goals and accountability measures. President Reilly would speak about these items at the next Task Force meeting.

Regent Falbo said that the Task Force should look at the training of workers and workforce issues, and also consider the role of each institution within its community. Questions arose about whether the Task Force should examine the program array and campus and administration consolidation, which he commented are related to the “how” instead of the “what.” Issues include both funding and quality, as well as how to do things more effectively. Dr. McGuinness’s presentation, which was very good, drew Task Force members into a broad discussion. Task Force goals would need to be narrowed down at subsequent meetings, the next of which is January 11, 2012.

Vice President Smith thanked Regent Falbo for his update and asked if Regents had questions. Regent Crain asked about the role of the Board in communicating with the Task Force. Regent Falbo responded by saying, first, that all Regents were welcome to attend the Task Force meetings. He also stressed the importance of communication, saying that he was working with Department of Administration, Legislative Fiscal Bureau, and UW System Administration staff, who were doing the work to prepare for the Task Force meetings. He said that he and Vice President Smith were in contact to coordinate the work of the Ad Hoc Work Group on UW System Structure and Governance with the Task Force’s work. The first Task Force meeting was informative, and by the next meeting more would be known about the scope of the group’s work.

Regent Bartell, noting that Regent Falbo had commented that any subject may be discussed by the Task Force, sought clarification about whether this referred to everything in higher education in the state of Wisconsin. The legislation called for the Task Force to address six or seven specific issues. Regent Bartell asked whether the Task Force would make recommendations on those issues, and beyond those issues.

Regent Falbo responded that he was going to work hard at narrowing the discussion, but within the six issues, there was significant ambiguity and generality. He said that it would be his job to try to keep the discussion focused. He asked Regents Higgins and Tyler if they would like to make any other comments.

Regent Tyler commented that it would be difficult to answer the six questions without getting into a lot of other issues. One of the six is clearly about strategy and how the System moves forward. The others are more about micromanaging an institution. He said that his own opinion was that the Task Force should stay at the strategy level and not micromanage. He said that he was not aware that the state had an overall strategy to higher education, but this is needed.

Regent Falbo noted that Chancellors Cross, Shields, and Wells, as well as Vice Chancellor Darrell Bazzell, were also on the Task Force.

Vice President Smith recognized Chancellor Wells, who observed that it was an excellent first meeting, and there was good consensus that the Task Force should frame its charge in terms of the “what” – what is needed for the present and future for the state’s citizens from its higher educational institutions. The “what” is meeting the knowledge needs of individuals and groups in communities, as detailed within the *Growth Agenda*. If the Task Force charge is framed as “what,” then the Task Force will be able to address the “hows” in a thoughtful way.

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## **INTERIM REPORT OF AD HOC WORK GROUP ON SYSTEM STRUCTURE AND GOVERNANCE**

Vice President Smith presented an update on the work of the Ad Hoc Work Group on UW System Structure and Governance, noting that President Spector had called for two committees to be formed to provide a more in-depth examination of the responsibilities of the Regents and the structure of university governing boards. The work group was charged with: (1) exploring and doing background research on one of the six topics assigned to the legislative Task Force, whether there is a need to restructure the UW System; and (2) considering and responding to President Reilly’s recommendation that a conversation occur on the benefits and drawbacks of establishing institution-level boards. The group includes Regents Crain, Pruitt, and Spector; Chancellors Levin-Stankevich, Lovell, and Wells; and Special Assistant Andy Richards from President Reilly’s office.

Vice President Smith reported that the work group had an initial phone meeting in November, and a second meeting was scheduled for December 20. The discussion at the first meeting covered a number of topics, including how the goals of one state-wide system of public higher education have changed since merger, the extent to which the current System structure is effective for meeting the needs of UW institutions, current board policy on boards of visitors and the extent to which UW chancellors rely upon boards of visitors and other types of advisory boards, governance and structures of other public university systems in the United States, and the advantages and disadvantages of various governing structures. He said that the work group started the conversation on these issues, with the benefit of background work from Board Secretary Jane Radue and Assistant Secretary Jess Lathrop.

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## REPORT OF THE PRESIDENT OF THE SYSTEM

Vice President Smith called upon President Reilly to present his report.

### ***Update from UW-Madison Police Chief on UW Institutions' Progress on Safety Issues***

President Reilly began by noting the shootings at Virginia Tech the day before and expressing concern for President Steger and his colleagues. President Reilly asked UW-Madison Police Chief Sue Riseling to speak briefly with the Board about the work that she and her colleague police chiefs around the System had been doing to help ensure security and safety on UW campuses. He said he wanted UW students and their families to know that everything possible is done to keep UW campuses safe. Chief Riseling had chaired a group to examine what the UW System could learn from the earlier Virginia Tech shootings about making the UW's prevention and reaction more effective.

### **UW System Task Force Recommendations**

Chief Riseling thanked President Reilly and the Board and recalled that on April 16, 2007, Virginia Tech had the United States' worst mass casualty shooting to date on their campus. Thirty-two people were murdered, 25 others were wounded, and the gunman also turned the gun on himself. A task force was formed within the UW System, with representation from all 13 four-year campuses, UW Colleges, and UW-Extension. The Regents were represented by Regent Bartell. The group produced a report within about four weeks, and it was presented to the Board in July 2007.

The report had 17 recommendations, everything from administrative changes, to communication changes, to training changes. The recommendations focused on some major areas. One area was awareness. People need to be aware of the characteristics of people who are avenger shooters, and know how to go about reporting what they think they see. A very broad awareness campaign went very well in the four years since.

The second area was counseling. Prevention requires early warning and detection capabilities. Some of these troubled individuals show up at the campus counseling center. In 2007, all of the campuses were struggling with the lack of resources for counseling. Many of the campuses have made strides in the intervening years to boost their counseling services. However, the struggle continues due to budget cuts' effect on campuses. Many of the chancellors have tried to preserve the core student functions of providing counseling, police, and safety on their campuses, because they know how important these are; but it continues to be a struggle.

A tremendous amount of training in rapid deployment was done for all of the university police officers throughout the System; this is the law enforcement response to a shooting tragedy. Years ago, the strategy was to set up perimeters and wait out the "bad guys." Today the bad guys come with such an arsenal that waiting is not an option, the chief said.



Part of the recommendation was that each campus make a continuity-of-operation plan. In the intervening years, all but a small number of campuses developed complete continuity-of-operation plans. For the campuses that do not have such plans, it is a resource issue. Decisions about putting resources into something that might happen, versus putting them into everyday business, are a struggle.

All 13 four-year and 13 UW Colleges campuses have campus crisis plans. Many of them have been tested. Testing shows that the amount of resources brought to a situation never match the situation. There are always ten more things to do, but which cannot be done, because the staff resources are not available. It is not because of lack of trying or lack of planning, Chief Riseling said. Rather, it is the nature of crises; it is not possible to staff at the crisis level all the time.

### **Crisis Communication**

Communication in a crisis seems to be almost as important as whether or not people will get hurt. If attention is not paid to communicating, there will be criticism. Ironically, the day of the recent shooting, Virginia Tech representatives were in Washington, D.C., defending the institution against the \$55,000 fine it received from the Department of Education for not putting out warnings quickly enough in 2007. On the day of the recent shooting, Virginia Tech was able to put out its first warning in under six minutes, which was remarkable. The chief said that most UW campuses have the capability to message out quickly, either through e-mail, text messaging, Twitter, Facebook, or other social technology.

Chief Riseling said that whether or not the campuses could successfully employ this technology when under stress is an interesting thing to consider. Usually this responsibility is assigned to somebody who is being inundated with phone calls or with the response itself. However, most of the campuses have done away with any kind of administrative overview of emergency messaging, which is key.

At Virginia Tech, police dispatchers have the ability to push a button and send out an emergency message. They were able to do that and get out the first message in six minutes. That does not mean that is when they hit the button. It is understood at UW-Madison that when the button is hit, a message is being sent to 77,000 people. That overwhelms the cells and the email system. The current time it takes to get an emergency email in people's in-baskets is under ten minutes for about 90 percent of the 77,000 emails sent. This is a great improvement over 2005, when it took two hours. Text messaging is much faster because only 23,000 people have opted in for text messaging at UW-Madison. Text messages go out in five to seven minutes, similar to Virginia Tech.

The responsibility for this does not reside in the dispatch center, Chief Riseling noted. The reason is that at the time of a shooting, the dispatch center will be overwhelmed with people dialing 911 and wanting to tell the police that there was a shooting. Thus, a command system is in place very quickly, and the message goes out from a command member, from anywhere in the country, by using the Internet.

Each campus has a different system and a different method. The important thing is that most of the campuses have a method. How quickly they can use that method is one issue, and how quickly that method works is another. However, none of the campuses is in the two-hour mode anymore. Students help, because they Tweet very quickly. The downside is that they also Tweet false information, which remains a challenge.

### **Focus on Prevention**

The focus of the majority of resources and time throughout the UW System is on prevention and early warning – identifying those students, staff, faculty, or visitors who have some type of issue that they are struggling with that may lead to violence. The focus is also on having review teams in place; all of the campuses do, and the Colleges have a more centralized system, but it seems to be working well. UW-Madison is on contract with the Colleges, so UW-Madison will help them with some of their threat analysis when they need it. Also, all of the campuses communicate; the police chiefs meet once a month by conference call and talk over any issues and help each other wherever they can.

The key to understanding Virginia Tech of 2007 is prevention, Chief Riseling said. By identifying potential perpetrators early on, intervening, and getting them some assistance, Virginia-Tech-type situations can be thwarted.

The situation the day before at Virginia Tech can happen literally everywhere. Evidently, the shooter, who was not a student, took advantage of a police officer who was otherwise detained doing a traffic stop. It was a routine traffic stop. The officer was back in his vehicle, perhaps writing a ticket or calling in information. The individual walked up and, at point-blank range, pulled the trigger and executed the police officer. Indications were that it had nothing to do with the traffic stop. A backpack was found that was believed to be the shooter's backpack, containing a change of clothes, suggesting that he changed out of the clothes he was wearing when he executed the police officer, perhaps as part of his escape psychology. It is believed that the shooter took his own life in a second parking lot.

Shooting and killing a distracted police officer, or a police officer engaged in other work, is becoming too common in the United States, Chief Riseling said. Police officer deaths in 2011 were up substantially from 2010. Police are dealing with this execution-style shooting all over the country. On campus, the goal is for campus police to be open and available, and not to immediately assume that someone approaching them has ill intent. Officers want to give students and visitors directions and to be helpful to parents. At the same time, these killings make police uncomfortable when people approach them. It is a balancing act with which police struggle.

Chief Riseling said that, based on the preliminary information, the shooting was not meant to be a mass casualty shooting, and this individual was not known ahead of time to the campus. This sounds more like somebody who wanted to kill a police officer and for whatever reason chose Officer Kraus, who was 39 years old and the father of five. It was not quite what was seen in 2007, which was very premeditated avenger violence. The shooter in 2007 wanted to avenge something. The motivation for the recent shooter was not yet known, the chief said. The death toll was far different, but no less tragic, she said.

Chief Riseling indicated she would be happy to answer questions. President Reilly thanked her for her remarks and also thanked her and her colleagues for the work done on these issues in the prior several years. Great progress had been made, but some work still needs to be done.

### ***Report on UW System Response to Proposed Biennial Budget Lapse***

President Reilly continued his report with a brief update about the proposed budget lapse. The UW System was notified on October 14, 2011 by the Department of Administration that the state would need to implement the \$174.3 million lapse which had been authorized in the 2011-13 state budget. The lapse is a tool that allows the state to withdraw a portion of taxpayer funding already allocated to state agencies or to the UW. Given the lingering effects of the economic downturn, it was not a surprise that the state might have to use this budget balancing tool. However, it was a surprise to see that UW institutions were being asked to absorb 38 percent of the lapse, although they represent only 7 percent of the general purpose revenue (GPR) budget. These lapses amount to a loss of \$65.6 million over two years, on top of the \$250 million in cuts already imposed on the UW system in the biennial budget.

President Reilly said that the System was working hard to shine a spotlight on this important public policy discussion. On October 27, the *Milwaukee Journal-Sentinel* published an editorial, cosigned by all 14 of the chancellors, all 13 of the UW Colleges deans and himself, about the disproportionate allocation of the new cuts. In the editorial, he and the other administrators promised to engage in civil and constructive dialogue to help arrive at a more proportional lapse.

On November 15, the Senate's Higher Education Committee, chaired by Senator Dale Schultz, invited UW leaders from across the state to testify at an informational hearing about the challenges facing the university and how best to move the Wisconsin Idea forward. The UW System's goal was to present a compelling and comprehensive story. President Reilly thanked the UW chancellors and faculty members, students, and business leaders who joined in that presentation.

Prominent business people have stepped forward to assert that cutting the UW so disproportionately is bad for business in Wisconsin. Julia Taylor, President of the Greater Milwaukee Committee; Craig Culver, founder of Culver's Restaurants; and Jim Schneller, President of AVISTA in Platteville, stated their support for reconsidering the inequitable cuts to the UW System. More than a dozen editorials and opinion pieces in newspapers around the state also championed that position.

Throughout this time, the UW System was in regular contact with the Department of Administration. President Reilly said that he had several conversations about this directly with the Secretary of the Department of Administration, Mike Huebsch. The lines of communication remained open, President Reilly said, and he remained hopeful that DOA would reconsider the UW's share of the new budget lapses.

## ***Effect of Potential Budget Lapse on Several UW Institutions***

The chancellors are most familiar with the impact of the proposed cuts on their students, families, and communities. President Reilly said. He turned to three chancellors – Chancellor Lovell, Chancellor Ford, and Chancellor Levin Stankevich – to share their thoughts about the impacts at their institutions.

### **UW-Milwaukee**

Chancellor Lovell said that he would highlight three specific examples of the impact of the budget lapses on UW-Milwaukee. The first was the impact on faculty and staff. Morale was already poor, and the lapses would make things harder. Having heard of people leaving for greener pastures, and knowing that faculty and staff at UW-Milwaukee are underpaid, he found that they were benchmarked to be between 19 and 29 percent below their peers in various disciplines. With the lapses, they would be asked to do more with less. Forty-one faculty and staff had been recruited by other universities during the year, a number greater than the chancellor expected. These were the top performers, being poached away to other universities in other parts of the country. One top faculty member was recently recruited away to Northwestern. Top people were being taken from the UW because of the cuts, and people are being asked to continue to do more without salary increases or any sign that things will get better.

Second, Chancellor Lovell said that the lapse would affect UW-Milwaukee's teaching. Based on the current lapse, allocated in a traditional way, Letters and Science, for example, would have to absorb about a \$2.5 million cut. The dean said that if he had to take that cut, he would have to lay off over 100 lecturers in the College of Letters and Science. To be effective, most lecturers within the College would teach two sections with an average of 30 students per section. There would be about 6,000 students in the College of Letters and Science who would be looking to get into courses that would no longer be there. The campus already had trouble providing enough sections for students to get the classes that they need to graduate. This would exacerbate that problem. This is an example of only one college; ten or eleven other units would be affected, as well.

Third, Chancellor Lovell said that UW-Milwaukee had millions of dollars of investment during the past year from regional industry. The institution has had endowed chairs from Rockwell and Johnson Controls. It has had millions of dollars in new labs in which corporations invested. The reason companies are doing this is that they are looking at investing in their future by investing in the university. They want to be able to train students in specific areas of technology. The chancellor said he was very concerned that with the current lapses the institution would no longer be able to hire technicians to staff those facilities. Rockwell funded a new center for supply chain management, and the chancellor said he was worried about being able to hire a director for that center.

In closing his remarks, Chancellor Lovell said that he was concerned about being unable to fulfill UW-Milwaukee's end of the bargain with the investments being made by private companies, as well as about keeping faculty and staff generally. The campuses' competitive

advantage is their faculty and staff; great people are being lost. If the top five percent are lost this year, then the next year and the following year, the institutions will be at a real disadvantage. Courses must be provided so that students can graduate in a timely manner; UW institutions owe that to both the students and their families. It is necessary to make sure that resources are provided to fulfill the UW's end of the bargain, in terms of training and developing technology for the companies making investments, and to ensure that the millions of dollars in investment continues.

### **UW-Parkside**

President Reilly thanked Chancellor Lovell for his remarks and asked Chancellor Debbie Ford to speak about how the budget lapse situation is affecting UW-Parkside. She began by saying that UW-Parkside was taking the situation very seriously and understood the "new normal" in higher education. She said that she shared many of the same concerns that Chancellor Lovell expressed from UW-Milwaukee's perspective, and she would like to add two other dimensions to the discussion.

The first dimension, she said, was the implication of the continued budget lapse and the uncertainty around funding and how it impacts the institutions' ability to be strategic and entrepreneurial. UW-Parkside is in the second year of its strategic plan. The institution had worked through the budget reduction, and then had the challenge of the budget lapse. UW-Parkside was in the process of providing strategic initiatives and dollars to enhance technology on the campus. The technology was going to be used to enhance the learning environment and the quality of the experience for students, and also to help with administrative efficiencies. It has been necessary to slow down and look at how to take the additional reductions in an already tight budget. Chancellor Ford said that the decisions made today not only impact the quality of the student experience and the delivery of the mission now, but have longer-term impacts, and this is of concern.

The second aspect is not only how to retain quality, hard-working faculty and staff, but also how to attract faculty and staff to the state of Wisconsin. The first question they ask is about the stability of funding and the support for public higher education. UW-Parkside's response is to emphasize quality; but the future is uncertain.

Chancellor Ford noted that in these times of uncertain funding and continuous changes, the institution has continued to be a very good steward of the available resources, and the most important focus is on the delivery of the mission and continued service to students.

### **UW-Eau Claire**

President Reilly thanked Chancellor Ford and called upon Chancellor Brian Levin-Stankevich to speak about the effect of funding cuts at UW-Eau Claire. He said that the institution put a lot of work into the recruitment of faculty at UW-Eau Claire, because it needs faculty who are at the top of their fields conducting research and staying current in their disciplines. More importantly, there is a need for faculty who are dedicated to teaching and focused on the undergraduate student and the undergraduate experience.

Chancellor Levin-Stankevich said that the last few years he had heard his colleagues, primarily from UW-Madison and UW-Milwaukee, talk about the effect of budget reductions on faculty retention. He said that UW-Eau Claire had not lost that many faculty to competitive offers. The university had developed over the years a strong culture and had selected the right kind of people to contribute to that culture. However, he said that the situation was different during the current year. The third year in a row of salary reductions for faculty and staff led to significant losses in faculty, primarily from among those who had just gained tenure and who were at the top of their game in their ability to contribute new ideas to the curriculum, contribute new programs to the university, and inspire students.

Those losses were particularly tough, the chancellor said, because UW-Eau Claire had invested so much in these individuals, and they had invested in the university. People were going not only to other universities, but largely to the private sector, where they have opportunities in fields like science. UW-Eau Claire lost five nurses in the nursing faculty. One left mid-semester, which had a programmatic impact; the incoming class in the next accelerated nursing program had to be deferred for up to a year, until (and if) those faculty can be replaced. This was disconcerting, because it was having an effect on the core culture of the institution, on which UW-Eau Claire builds its reputation.

Providing another example of the effect of the budget cuts, Chancellor Levin-Stankevich said that he was a proud member of the award-winning History Department at UW-Eau Claire. A couple days before, his department chair sent out a message about constructing the fall schedule. The chancellor said that he normally teaches a course in the fall. He wrote back to say that he would teach that course, or he could teach another course, if there were a need. The chair sent a note back, saying it would be some time before she could make that decision because of all the uncertainties about how many instructional academic staff the department would be able to hire; the status of rehired annuitants, on whom the institution relies for many courses; and whether additional people will retire on short notice. The chancellor said that there were a lot of shared faculty across disciplines within any university (e.g., Latin American Studies and History). As positions are not being replaced in one of the disciplines, their chairs are urging that faculty not help out in another area. A domino effect is created across the institution.

The key issue for the department chair is that, in the past, because of the campus culture, faculty have generally stepped up to do whatever is necessary for the department to meet its needs. The external forces that have affected that culture prompt questions about whether there is a willingness to engage in these extra efforts upon which the institution has relied over the years.

Chancellor Levin-Stankevich said that UW-Eau Claire was also looking at other areas, such as health services, to determine whether services should be provided, all or in part, by non-university personnel or non-university entities. Areas such as this were being examined as UW-Eau Claire looked at ways to prevent itself from having to raise student fees. Health-service fees are program revenue fees, but they are costs that students have to pay; and finding ways to reduce nonacademic costs can allow the university to continue to put quality faculty in the classroom.

President Reilly thanked Chancellor Levin-Stankevich, and summarized by saying that the institutions are facing significant challenges that have real impacts on students, as well as on partnerships with business and industry across the state. He said that the dialogue with the state would continue.

### **Regent Discussion**

Asked about the timing of a decision on whether the proposed budget lapse would be reconsidered, President Reilly said that this was not entirely clear. Each of the state agencies and the UW System were asked to provide a report to the Department of Administration about how they would handle the lapse. The initial number for the UW System was \$65.5 million. In conversations with the Secretary of DOA, it had been agreed that the UW System did not need to submit that report yet, until the discussions between the UW System and DOA had concluded.

Regent Higgins said that he thought that the reports of the chancellors, about the specifics of the damage and the hurt that the lapses would cause, were very useful for bringing home the point. He said that he was happy to hear that there was discussion occurring with DOA.

Regent Higgins said that he understood that the lapses fell disproportionately on the UW System and a certain part of state operations, because the Governor and administration decided to exempt certain types of things like Human Services and K-12 education from their proportionate share of the lapses. These decisions reflected value judgments about the impact of those things on the state of Wisconsin. Regent Higgins asked if the university, with its wealth of research, knowledge, and statistics, was offering alternatives during its discussions with DOA. For example, could the UW System suggest alternative ways to view the level of impact that the cuts on Badger Care, as opposed to the cuts to the university, might have on the state. Coming to management with a solution to a problem is always better than saying, "it hurts," and Regent Higgins wondered whether this method was being followed.

President Reilly said that the UW System had worked hard to give DOA information on how disproportionate the cut would be and to say that if the state, in the long term, is going to be prosperous and have enough revenue to operate, the university needs to be a priority. This will lead to more people being educated, and to more partnerships with business and industry that create new jobs. The focus had been on making the case about the value of the UW System. President Reilly said that the UW System had not typically told state government to cut K-12 or Badger Care more. He said that this should not be the UW System's role but, rather, its role is to advocate for the value of the university to the state. It is for elected officials to make judgments about priorities. President Reilly said that he thought this was a more appropriate way to operate.

President Reilly added that in the conversations with DOA, the System had recognized how hard these choices were and how rough the economy is. The System had also noted that when taking the original \$250 million cut, which was tied for the largest cut in UW history, the System did not complain at all. However, the disproportionality of the lapse, on top of that large cut, was something that it was necessary to speak up about.

## ***Update on Voter ID***

President Reilly provided a summary of work to comply fully with the new Wisconsin Voter ID law. Civic participation should be an integral part of the college experience. Therefore, all UW colleges and universities were working diligently to ensure that eligible voters who are UW students would have the information and resources needed to exercise their right to vote. To date, ten campuses had submitted to the Government Accountability Board and had approved versions of new student ID cards that fully comply with the Voter ID requirements. Approval of the design for the remaining campuses was expected soon.

## ***Other Legislative Updates***

President Reilly reported that it had been a busy time, generally, with the Legislature and the UW. In early November the Assembly Committee on Colleges and Universities met jointly with their Senate counterpart committee for an informational presentation about aligning education, workforce, and economic development policy. He said that he testified about efforts to align education with the state's workforce needs and economic development efforts, and good examples from the UW institutions were highlighted.

Many other legislative meetings, both formal and informal, had taken place with senators and representatives from both sides of the aisle. As noted earlier, there were also several meetings with the DOA Secretary. At various times, President Spector and other members of the Board, as well as chancellors and representatives of the UW System, had all been involved.

## ***News from Around the System***

President Reilly shared news from around the System:

### **UW-Madison Student Awarded Rhodes Scholarship**

Senior Alexis Brown, of UW-Madison, became one of an elite group of American students to be awarded a 2012 Rhodes Scholarship, one of the most coveted honors in the world of higher education. Alexis, an English major from Algonquin, Illinois, would be invited to spend two to three years of study at Oxford University. The scholarship is valued at approximately \$50,000 a year, and is the oldest international study program in the world. With the scholarship, Alexis hoped to further her studies in English literature. President Reilly congratulated Ms. Brown, Chancellor Ward, and UW-Madison on the scholarship.

### **UW-La Crosse Professor Named 2011 WI Professor of the Year**

UW-La Crosse history professor Greg Wegner was named the 2011 Wisconsin Professor of the Year. He was selected for the award by the Carnegie Foundation for the Advancement of Teaching, and the Council for Advancement and Support of Education. Dr. Wegner, an alumnus of UW-La Crosse, had been teaching there since 1989. His area of expertise is the Holocaust, which he has studied for more than 40 years. Dr. Wegner also coordinates western Wisconsin's National History Day contest, which involves more than 1,300 middle school and high school



students each year. He says he never gets bored with his career, because his work is filled with pondering core questions relating to what it means to be human, the relationship between the individual and the state, and the persistence of genocide and mass murder. President Reilly congratulated Dr. Wegner, Chancellor Joe Gow, and UW-La Crosse.

### **UW-Oshkosh's Integrated Marketing & Communications Team Honored**

UW-Oshkosh's Integrated Marketing and Communications Team was recently awarded the first ever American Marketing Association Higher Education Team Award for its leadership and achievements in higher education marketing. The team works to maintain the integrity of the UW-Oshkosh brand through a marketing strategy that links the university's mission, vision, and priorities for its various audiences. The American Marketing Association received more than 80 nominations for the individual and team Higher Education Marketer of the Year Awards. President Reilly congratulated Chancellor Rick Wells, the team, and the UW-Oshkosh campus community.

### **UW-Stout Acknowledged with Diversity Award**

President Reilly reported that for the past year, UW-Stout made efforts to increase the number of racial and ethnic minorities staying at the school. The State Council on Affirmative Action and the Office of State Employment Relations acknowledged these efforts by presenting UW Stout with a Program Achievement Diversity Award. The award specifically recognized UW-Stout for its Summer Bridge and Pre-College Programs, which help students make the transition to college, as well as the Math, Teaching and Learning Center. UW-Stout Provost Julie Furst-Bowe noted that the retention rate for minority students at the university was now the same as for other students. President Reilly congratulated her, Chancellor Sorenson, and their UW-Stout colleagues.

### **UW-River Falls Receives Grant for Center for Dairy Farm Safety**

UW-River Falls received a \$134,000 Susan Harwood Training Grant from the Occupational Safety and Health Administration to establish the Center for Dairy Farm Safety. That center would be developed and managed in collaboration with UW-Extension, with the goal of bringing together best-practice protocols for dairy-operation occupational safety and health programs. The grant strengthens the capacity of both UW institutions to develop new curricula designed with dairy industry involvement, extend outreach capabilities to dairy producers, and provide training to future producers and managers by incorporating the curriculum into secondary education courses. President Reilly extended congratulations to Chancellor Dean Van Galen and Chancellor Ray Cross and their respective institutions.

### **UW-Eau Claire Pilots "Transitions Program" to Facilitate Transfers**

President Reilly said that as part of the UW System's focus on facilitating transfers, UW-Eau Claire was piloting a program to ease the transition process and success rate among students who transfer to UW-Eau Claire from Chippewa Valley Technical College, the largest source of UW-Eau Claire's transfer students. The Transitions Program, funded through the UW System's Growth Agenda Grant Program, was designed to assist students from the technical college, both

before and after they enroll at UW-Eau Claire. Program leaders say that the objective is to improve the retention and graduation rates among students who transfer, but also to increase the number of multi-cultural students who transfer. President Reilly congratulated Chancellor Levin-Stankevich and UW-Eau Claire.

### **UW-Parkside Partners with Engineering Firm**

President Reilly said that a new venture at UW-Parkside was a great example of the value of building relationships between the university and local businesses. A startup mechanical engineering firm called ProCubed has moved into temporary quarters at the university's Solutions for Economic Growth Center, where plans were being developed to build a better wheelchair drive system. Student teams would get hands-on experience as they worked with ProCubed on engineering, business management, and the successful marketing of this product. President Reilly congratulated Chancellor Ford and the UW-Parkside campus community.

### **UW System Administration Staff Awards**

The UW System Administration staff awards were presented in November. These awards are opportunities to recognize some exceptional colleagues who have made a difference. A program from the event, with brief descriptions of the award-winners, was included in Regents' folders.

### **Football Champions**

President Reilly wished the best of luck to the UW-Madison Badgers in the Rose Bowl again, and the UW-Whitewater Warhawks, who were likely to be in the Amos Alonzo Stagg Bowl again. Chancellors Ward and Telfer have enviable records in winning in bowl games.

President Reilly concluded his report by reading a poem by Alfred Tennyson, appropriate for the season, called "Ring Out Wild Bells." He wished peace to all.

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## **REPORT OF THE CAPITAL PLANNING AND BUDGET COMMITTEE**

Vice President Smith then turned to Regent Bartell for the report of the Capital Planning and Budget Committee.

### ***Committee Business***

Regent Bartell reported that he had been joined for the Capital Planning and Budget Committee meeting by Regents Pointer, Manydeeds, and Spector, as well as new Regents Whitburn and Higgins. The committee addressed nine resolutions which were unanimously approved by the committee and would now be presented as consent agenda items:

## **Request Authority to Modify UW-Eau Claire Campus Boundary**

Resolution 9995, brought by UW-Eau Claire, requested authority to modify its campus boundary. The campus recently completed a facilities master plan, which recommended the expansion of the campus boundary south, to include the future addition of a state office building and land, which is adjacent to the upper campus, when that property becomes available. It would give the campus an opportunity to create a somewhat more prominent front-door entrance for one of Eau Claire's most heavily-travelled streets.

## **UW-Madison Carson Gulley Renovation Project**

Resolution 9996 requested authority to construct the UW-Madison \$10-million Carson Gulley Renovation project. Half of that funding would come from program revenue support borrowing, and the other half from program revenue cash. This project would replace all of the plumbing, mechanical, and electrical systems in the existing building, which was constructed in 1926. All interior finishes would be upgraded, and the exterior improved, with new energy-efficient windows, consistent with the historical façade. Regent Bartell said that this project would incorporate sustainable design elements, such as a high efficiency HVAC system, storm water control, indoor air quality management, and construction waste management. These renovations will make the building safer, result in a more efficient facility, and reduce maintenance costs. Regent Bartell noted that Carson Gulley was an African American premiere chef who, during much of the 1950s and 1960s, worked at UW-Madison; he was the creator of Fudge Bottom Pie at the Memorial Union.

## **Demolition of UW-Madison Campus Buildings**

Resolution 9997 requested authority to demolish and remove five store-front buildings on University Avenue on the UW-Madison campus, in anticipation of construction of the new Music Performance Facility, included in the 2005 Campus Master Plan. The programming and conceptual design had been completed for the new facility, the fundraising was in progress, and the land would provide useable open space until the design for the facility is completed. The Board's last prior action on this was to commence proceedings in eminent domain to acquire one of the properties, the Brothers Bar at 704 University Avenue. The Board received pushback and were defendants in a lawsuit, which was eventually settled, and the property was purchased for an amount closer to what it was worth than what had been requested.

## **UW-Madison Memorial Union Theater Wing Renovation – Phase I Project**

Resolution 9998, also brought by UW-Madison, requested authority to construct the \$52 million Memorial Union Theater Wing Renovation Project-Phase I. This project, funded with \$40.5 million program revenue supported borrowing and almost \$12 million in gift funds, would renovate the Theater Wing of the Memorial Union. The Theater Wing was built in 1938-39, and although revered for its design and functionality, is quite dated. The project also would renovate selected spaces in the other two wings of the building, and the entire fifth floor will be made into offices. The renovations would include upgrades to the mechanical, electrical, and plumbing systems, some of which date back to the time that the building was built in 1928, combined with improved accessibility to areas of the other two wings of the building. The Memorial Union is on 16 different

levels, and that will be improved. An addition to the building will provide a 2,500-square-foot theater lounge at the north end of the current theater.

Regent Bartell noted that this project was the subject of some tension among some students and faculty because of concern that the addition was too large. After a student referendum, the Union asked the designers to make revisions, and the objections were addressed. Also, the project would be constructed using sustainable design practices, with a goal of becoming a LEED-certified project at least at the silver level.

### **UW-Madison Kohl Center South End Club and Audio/Video Relocation Project**

Resolution 9999, brought by UW-Madison, requested authority to construct the \$2.9-million, entirely gift-funded Kohl Center South End Club at the south end of the Kohl Center main concourse, and will be a club area for patrons. Project work includes construction to create a club seating space and a buffet and beverage area. Also, the audio/video area would be expanded and remodeled to meet current needs.

### **UW-River Falls Health and Human Performance/Recreation Building Project**

Resolution 10000 requested authority to release building trust funds to continue planning the UW-River Falls Health and Human Performance Building Project. This project was approved for advance enumeration in the 2013-15 biennial budget, as part of the capital budget. The planning funds would allow for the selection of an architect/engineer team and preparation of plans and specifications to go out for bid in July 2013, when funding for the project becomes available.

### **UW-Superior Land Lease for Lake Superior National Estuarine Research Reserve**

Regent Bartell said that Resolution 10001, brought by UW-Superior, requested authority to enter into land lease agreements and to acquire real property for the long-term operation of the Lake Superior National Estuarine Research Reserve. The funding for this acquisition was obtained through a federal grant. The Reserve works in collaboration with the National Oceanic and Atmospheric Administration, the university, and other key partners to improve the understanding of Lake Superior freshwater estuaries and coastal resources. It involves research, education, outreach, and considerable stewardship.

### **All Agency Maintenance Projects**

Resolution 10002 requested authority to construct eight all-agency maintenance and repair projects at six institutions, totaling \$10.5 million. These include utility improvements, space remodeling, and equipment replacements, and also shoreline restoration in front of the Memorial Union Terrace, which is falling into the lake.

### **UW System Administration Major Capital Projects Evaluation Criteria**

Resolution 10003 requested approval of the UW System Administration Major Capital Projects Evaluation Criteria, the standard for ranking general fund major projects. This standard is updated periodically. The planning cycle for the 2013-15 capital budget has begun, and that process

includes approval of the criteria used for prioritizing major projects funded by general fund supported borrowing. There are objective and subjective criteria, and they were updated to reflect current systemwide initiatives, priorities, and goals of the Board of Regents. These are used to create a priority list of projects in the next cycle. Regent Bartell said that the evaluation criteria were vetted by the campus planners and chancellors from around the System.

### ***Consent Agenda***

Regent Bartell moved, and Regent Whitburn seconded, approval of resolutions 9995, 9996, 9997, 9998, 9999, 10000, 10001, 10002, and 10003. The Board adopted the resolutions on a unanimous voice vote.

#### **Authority to Modify the Campus Boundary, UW-Eau Claire**

Resolution 9995: That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, approval be granted for various campus boundary changes associated with a new master plan at the University of Wisconsin-Eau Claire.

#### **Approval of the Design Report and Authority to Construct the Carson Gulley Renovation Project, UW-Madison**

Resolution 9996: That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the Carson Gulley Renovation project at an estimated cost of \$10,049,000 (\$5,000,000 Program Revenue Supported Borrowing and \$5,049,000 Program Revenue-Cash).

#### **Authority to Demolish Buildings on the UW-Madison Campus Using Building Trust Funds, UW-Madison**

Resolution 9997: That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, authority to demolish five buildings on the UW-Madison campus at a total estimated cost of \$830,900 using Building Trust Funds.

#### **Approval of the Design Report and Authority to Construct the Memorial Union Theater Wing Renovation-Phase I Project, UW-Madison**

Resolution 9998: That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, approval of the Design Report and authority to construct the Memorial Union Theater Wing Renovation-Phase I project for a total project cost of \$52,000,000 (\$40,500,000 Program Revenue Supported Borrowing and \$11,500,000 Gift Funds).

**Approval of the Design Report of the Kohl Center South End Club and Audio/Video Relocation Project and Authority to Construct the Project, UW-Madison**

Resolution 9999: That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, the Design Report of the Kohl Center South End Club and Audio/Video Relocation project be approved and authority be granted to construct the project at a total cost of \$2,900,000 Gift Funds.

**Authority to Request the Release of Building Trust Funds to Continue Planning the Health and Human Performance/Recreation Building Project, UW-River Falls**

Resolution 10000: That, upon the recommendation of the UW-River Falls Chancellor and the President of the University of Wisconsin System, authority be granted to request the release of \$3,770,000 Building Trust Funds-Planning for the Health and Human Performance Building project, as needed by the project.

**Authority to Enter into Land Lease Agreements and to Acquire Real Property for the Long-term Operation of the Lake Superior National Estuarine Research Reserve, UW-Superior**

Resolution 10001: That, upon the recommendation of the UW-Superior Chancellor and the President of the University of Wisconsin System, authority be granted to (a) enter into 30-year land lease agreements for properties located at 3 and 14 Marina Drive, Superior, Wisconsin, at an annual operating cost of \$5,000, and (b) acquire two, single story buildings on the site, consisting of 3,388 square feet and 3,848 square feet, and a 110- by 15-foot dock at a total acquisition cost of \$850,000.

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

Resolution 10002: 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 \$10,554,800 (\$4,663,200 General Fund Supported Borrowing; \$1,717,300 Program Revenue Supported Borrowing; \$3,762,300 Program Revenue Cash; and \$412,000 Gifts and Grants).

**Approval of the Criteria for Ranking General Fund Major Projects, UW System**

Resolution 10003: That, upon the recommendation of the President of the University of Wisconsin System, the University of Wisconsin System Administration Major Capital Projects Evaluation Criteria be adopted as the basis for prioritizing major capital projects funded by General Fund Supported Borrowing (GFSB) for inclusion in UW System capital budget requests.

Regent Bartell noted that a resolution included in the meeting materials was not presented because it had not been acted upon by the committee. This was a request by UW-Platteville to enter into a set of agreements with UW-Platteville Real Estate Foundation for the purpose of constructing and operating a residence hall and dining facility on campus, on state-owned land. The goal is to construct the residence hall to meet more of the existing and projected demand for on-campus housing by 2013. These agreements would permit the Real Estate Foundation to construct the building, to consist of approximately 160,000 square feet, at a total estimated cost of \$26 million, and housing approximately 460 students and a dining facility. The foundation would own the facility and be solely responsible for financing the project.

The problem discussed in the committee, and not yet resolved, was the nature of the agreements. There are some legal issues with having a private entity construct a facility on state land to be used by students, as well as policy issues as to what will happen to that facility at the end of the term of the agreements, or if for some reason the operation were to fail. There are questions about responsibilities, liability, and management issues, Regent Bartell said. The Capital Planning and Budget staff is working with the Department of Administration and the State Building Commission on these issues.

### ***Joint Meeting with the Business, Finance, and Audit Committee***

Regent Bartell noted that the Capital Planning and Budget Committee met with the Business, Finance, and Audit Committee to hear two presentations. The first was a very fine presentation by UW-Madison Vice Chancellor Darrell Bazzell, describing the university's plan for stewardship of its resources by creating a culture of process improvement through a phased approach. Also, UW-Eau Claire presented an overview of the university's new Master Plan, which was the result of two years of collaborative planning, also a very fine presentation.

### ***Report of the Associate Vice President***

Before concluding his report, Regent Bartell said that Associate Vice President David Miller reported that the Building Commission approved about \$130 million of projects for the UW System at its October meeting. Regent Bartell expressed gratitude for this approval.

In addition, the Committee recognized that Vice Chancellor for Facilities, Alan Fish, of UW-Madison would be leaving the System to take a position at Johns Hopkins University. Regent Bartell said that his talents and tact would be missed. The committee recognized his departure with a round of applause and three cigars, he said.

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## **REPORT OF THE EDUCATION COMMITTEE**

Vice President Smith called upon Regent Vásquez to present the report of the Education Committee.

## ***Committee Business***

### **UW-Madison Presentation: “Resource Stewardship: Educational Innovations”**

Regent Vásquez said that the committee heard from Provost Paul DeLuca; Vice Provost for Teaching and Learning, Aaron Brower; and Vice Provost for Lifelong Learning and Dean of the Division of Continuing Studies, Jeff Russell. Their report was a continuation of Chancellor Ward’s morning presentation. They described some of the educational innovations being explored and implemented on the Madison campus that seek to unleash the entrepreneurial and creative energies of faculty and staff and, in the process, preserve the quality of student learning, create efficiencies, and potentially develop new revenue sources.

While the innovations that were being sought were based on building on past successes, what really separated this work from previous initiatives is that there were no new or additional resources with which to do this. They were not trying to do more with less; they were trying to do better with less, a very critical distinction. Regent Vásquez said that also discussed was how to report this out to the community, both the campus community and the external community, so that there would be a clear understanding that innovation was happening at the campus.

### **UW-Parkside: Establishment of UW-Parkside Colleges**

As part of the overall restructuring in which UW-Parkside is engaged, UW-Parkside Provost Terry Brown brought to the committee a request to approve the establishment of three new colleges, as required by System policy. Pending full Board approval, UW-Parkside planned to establish the College of Arts and Humanities, the College of Natural and Health Sciences, and the College of Social Sciences and Professional Studies. The process of implementing these colleges would be phased in between the fall semester of 2012 and fall 2013.

Provost Brown explained the reasons behind the reorganization, which seeks to address the unwieldy nature of UW-Parkside’s existing college structure and strengthen the university’s academic disciplines through more focused leadership. It was reported that the proposal had broad support on campus; it was unanimously approved by faculty governance in October. The Committee, likewise, was very supportive of the overall reorganization and unanimously approved the resolution to establish the three new colleges. Regent Vásquez noted that he had visited the campus, along with some other Regents, as part of the buddy-campus structure, and got to hear firsthand about the changes.

### ***Report of the Senior Vice President***

Regent Vásquez said that the committee heard Interim Senior Vice President Mark Nook’s report about work being done in the Academic Affairs area to address the recommendations from President Reilly’s response to the Advisory Committee on the Roles of UW System Administration. This includes work to integrate and frame the various initiatives in Academic Affairs as clear components of the *Growth Agenda*. In addition, an update was given on the changes to the UW System’s accountability report, as required by Act 32, some of which present significant challenges because no data exists for some of the required indicators. Also discussed



was the formation of the Program Planning Review Committee, the group being charged with revising the System's program planning and review process.

In addition, the process was underway for the transfer of the Institute for Urban Education to one of the UW campuses, according to Dr. Nook, who shared details about how and why the Institute was being transferred. Broad consultation occurred with the Provosts and Education Deans, and there was wide agreement that this was the right path at the right time. A Request-for-Proposal process would be unfolding in the coming weeks, with a decision about this transfer to occur sometime in the spring of 2012. The Institute is a program that is of value to UW institutions in their efforts to prepare educators to teach in urban settings, and the committee followed the Institute's progress with interest over the four years since its inception. Dr. Nook said that he would keep the committee informed about the transfer of this program, as well as several others identified in the President's response to the Advisory Committee.

### ***Consent Agenda***

In addition to the minutes from its October 6, 2011, meeting, the Education Committee unanimously approved four resolutions. Regent Vásquez then moved approval of Resolutions 10004, 10005, 10006 and 10007. The motion was seconded by Regent Crain, and the Board adopted the motion on a unanimous voice vote.

#### **Program Authorization (Implementation) B.S./B.A. in Environmental Science, UW-Whitewater**

Resolution 10004: That, upon the recommendation of the Chancellor of the University of Wisconsin-Whitewater and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.S./B.A. in Environmental Science.

#### **Program Authorization (Implementation) B.A./B.S. in Computer Science, UW-Whitewater**

Resolution 10005: That, upon the recommendation of the Chancellor of the University of Wisconsin-Whitewater and the President of the University of Wisconsin System, the Chancellor be authorized to implement the B.A./B.S. in Computer Science.

#### **Program Authorization (Implementation) Collaborative Online B.S. in Health Information Management and Technology, UW-Green Bay, UW-Parkside, and UW-Stevens Point**

Resolution 10006: That, upon the recommendation of the Chancellors of the Universities of Wisconsin-Green Bay, -Parkside, and -Stevens Point, and the President of the University of Wisconsin System, the Chancellors be authorized to implement the Collaborative Online Bachelor of Science in Health Information Management and Technology.

## **Establishment of Colleges at the University of Wisconsin-Parkside**

Resolution 10007: That, upon the recommendation of the Chancellor of the University of Wisconsin-Parkside and the President of the University of Wisconsin System, UW-Parkside be authorized to establish three new colleges: the College of Arts and Humanities, the College of Natural and Health Sciences, and the College of Social Sciences and Professional Studies.

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## **REPORT OF THE BUSINESS, FINANCE, AND AUDIT COMMITTEE**

Vice President Smith called upon Regent Falbo to present the report of the Business, Finance, and Audit Committee.

### ***Joint Meeting of the Business, Finance, and Audit Committee and the Education Committee***

Regent Falbo reported that the Business, Finance, and Audit Committee started out meeting jointly with the Education Committee to address three items.

### **2010 Annual Report of the Wisconsin Partnership Program**

The first item was the 2010 Annual Report of the Wisconsin Partnership Program. Dean Robert Golden of the UW School of Medicine and Public Health presented the report, which details the use of funding awarded to the UW School of Medicine and Public Health when Blue Cross and Blue Shield United of Wisconsin was converted to a for-profit stock corporation.

The Partnership Program has a remarkable track record. Since its inception in 2004, the program has awarded more than \$97 million through 234 initiatives to: community-based, nonprofit organizations; faculty-led education, research and outreach; and government agencies. Moreover, the program has resulted in incredible leveraging of its grants, to bring in additional funding from other sources, especially federal. The program made 23 grants in 2010 for projects that advance population health in Wisconsin, including: continued support for the Lifecourse Initiative for Healthy Families, a major strategic initiative to improve birth outcomes among African-Americans in Wisconsin; support for physical activity and obesity prevention in young people; and development of targeted therapies to fight breast cancer.

### **Operations Review and Audit – Program Review on Students with Disabilities**

Regent Falbo said that the second item addressed during the joint meeting was Operations Review and Audit's program review report on students with disabilities. Director Elizabeth Dionne discussed highlights of the report. The review was conducted to evaluate compliance with Regent Policy Document 14-10, Nondiscrimination on the Basis of Disability, as well as with applicable federal and state regulations. Overall, the analysis found the institutions reviewed were meeting the Board's policy objectives and were in compliance with

applicable regulations. The report offered recommendations intended to improve the efficiency of operations, minimize the risk of noncompliance, and ensure the effectiveness of the disability services UW institutions offer students. Due to the increasing number of students needing the services and the university's goal of producing more degree holders, Regents suggested data be collected to ensure the services are resulting in the success of students with disabilities.

### **UW-Milwaukee's Contractual Agreement with CERNET Education Development Co., Ltd.**

The third item on the joint-meeting agenda was UW-Milwaukee's contractual agreement with CERNET Education Development Co., Ltd. Chancellor Lovell explained how the agreement with CERNET fits within UW-Milwaukee's vision of focusing on global engagement and would serve to enhance its reputation. The Committees were asked to approve the contractual agreement for the recruitment of Chinese students to UW-Milwaukee's Intensive English Program. UW-Milwaukee had been working on the agreement for more than a year, and financial, legal, academic and student success considerations were all attended to by Chancellor Lovell and colleagues in the development of the agreement.

Regent Falbo said that UW-Milwaukee anticipated that a large number of students would be admitted to and graduate from its degree programs, after completing the English as a Second Language program. Among the perceived benefits are a more globally engaged university, enhanced student diversity on campus, and improved non-resident tuition revenue. After a good discussion and assurances about oversight by the Provost's Office, the contract was approved unanimously by the committee.

### ***Operations Review and Audit***

When the Business, Finance, and Audit Committee reconvened, Operations Review and Audit Director Elizabeth Dionne reported on three topics.

### **Compliance Review of the Implementation of Family Educational Rights and Privacy Act (FERPA) Regulations**

Director Dionne discussed highlights of the recently-completed program review of implementation of the Family Educational Rights and Privacy Act (FERPA). The review concluded that UW institutions were generally meeting FERPA requirements, and the report offered eight recommendations which may further enhance the ability of institutions to effectively implement the provisions of the law.

### **Quarterly Status Report**

Ms. Dionne provided an update of ongoing and recently-completed activity of the Office, along with information regarding current or pending activities of the Legislative Audit Bureau which may impact the UW System.

## **Discussion of the Draft Operations Review and Audit Plan for 2012**

Regent Falbo reported that the committee discussed the draft Operations and Audit plan for 2012. Because of the recent, serious allegations of misconduct and illegal activity related to minors at prominent universities, the Business, Finance, and Audit Committee would require, as part of the calendar year 2012 Audit Plan, an audit of reporting requirements of crimes against minors. The audit would include an evaluation of the adequacy of policies related to reporting of crimes against minors at UW System colleges, universities, and extension. This review was part of a two-part strategy to ensure that the thousands of children who visit UW institutions are protected. The second part of the strategy would involve a risk assessment to ensure that practices and policies in conducting sports camps and educational programs that invite minors to UW campuses are designed with safeguards in place to protect those children. This work will be done by the UW System Administration risk management group. A report is expected in the spring. Also, Regent Falbo said that President Reilly had already asked legal counsel to provide a summary of pertinent state and federal laws and university policy; that summary was sent to Regents earlier in the week.

### ***Trust Funds: Investment Policy Statement Review and Affirmation***

Doug Hoerr, UW System Trust Funds Director, reviewed the Investment Policy Statement revisions with the committee. The committee approved changes to the way certain asset categories are defined, minor changes to the asset allocation targets, and minor revisions to the Investment Policy Statement. The committee also reaffirmed its adoption of the Investment Policy Statement for the UW System Trust Funds; no change to the 4-percent spending policy was recommended.

### ***Minutes of the October 6, 2011 Meeting***

The Committee approved the minutes of the October 6, 2011, meeting of the Business, Finance, and Audit Committee.

### ***UW-Madison Contractual Agreement With Sunovion Pharmaceuticals, Inc.***

Regent Falbo reported that the committee examined UW-Madison's contractual agreement with Sunovion Pharmaceuticals, Inc. The committee approved the extension of a data research analysis agreement between UW-Madison and Sunovion Pharmaceuticals. Approval of the agreement would extend the contract, which had been in place since May 2009, through December 2014, with an estimated total value of about \$682,000.

### ***Quarterly Gifts, Grants and Contracts Report for 1st Quarter***

UW System Vice President of Finance Debbie Durcan presented information regarding gift, grant, and contract awards for the period July 1, 2011 through September 30, 2011, Regent Falbo said. Total gifts, grants, and contracts for the period were approximately \$578 million, a

decrease of \$94 million over the same period a year ago. A significant portion of the decline in federal awards was due to a reporting anomaly of federal direct student loans in 2010-11.

### ***Report of the Senior Vice President***

Regent Falbo said that Senior Vice President Michael Morgan covered several items in his report.

#### **Status Update on Implementation of Act 32 Flexibilities**

Mr. Morgan provided an update on the implementation of flexibilities included in the 2011-13 biennial budget, Act 32, and the President's Advisory Committee recommendations. Vice Chancellor Darrell Bazzell, serving as the co-chair of the task force to develop a new personnel system, provided a brief summary of the first meeting of the task force.

#### **Human Resources System Status Update**

Regent Falbo reported that Senior Vice President Morgan provided a brief update regarding Human Resource System (HRS) implementation and on-going efforts to work through any implementation challenges. He stated progress was being made with HRS functionality and stability, and payroll targets were being reached. The last payroll cycle saw some improvement. To build on this improvement process, he stated the HRS/Service Center project team began their second round of campus visits in November and would conclude in December.

#### **eBenefit Pilot Program**

Mr. Morgan also spoke of the success of an eBenefit pilot program, a self-service program that enables employees to enroll in benefits programs online at three institutions – UW-Green Bay, UW-La Crosse, and UW-Oshkosh. Based on the success of the pilot in the fall, the team recommended the UW System implement eBenefit for the fall 2012 open enrollment period at all UW institutions.

Mr. Morgan also spoke about Talent Acquisition Manager, the PeopleSoft functionality to support the recruitment process, which is scheduled to be implemented in the first quarter of 2012. The initial rollout next year will include functionality for unclassified recruitment processes only.

### ***Consent Agenda***

Regent Falbo then moved the adoption of Resolutions 10008, 10009 and 10010. The motion was seconded by Regent Pruitt and adopted on a unanimous voice vote.

**UW-Milwaukee Contractual Agreement with CERNET Educational Development Co., Ltd.**

Resolution 10008: That, upon the recommendation of the Chancellor of the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the University of Wisconsin-Milwaukee and CERNET Educational Development Co., Ltd.

**University of Wisconsin System Trust Funds Investment Policy Statement**

Resolution 10009: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the recommended revisions to, and otherwise reaffirms its adoption of, the Investment Policy Statement for the University of Wisconsin System Trust Funds.

**UW-Madison Contractual Agreement With Sunovion Pharmaceuticals, Inc.**

Resolution 10010: That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the University of Wisconsin-Madison and Sunovion Pharmaceuticals, Inc.

Prior to the adoption of the resolutions, a brief discussion ensued about the audit related to reporting of crimes against minors. Vice President Smith clarified that although approval of the audit did not require Board action, the audit would go forward. Regent Falbo confirmed that not only would the audit go forward, but it would be the number-one priority. Regent Whitburn asked about the sufficiency of audit resources to accomplish this important project. Senior Vice President Morgan responded that staff resources would be reallocated to ensure the project would be completed by the spring of 2012.

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**RESOLUTION OF APPRECIATION FOR UW-MADISON FOR HOSTING THE DECEMBER BOARD OF REGENTS MEETING**

Vice President Smith called upon Regent Pointer to present the resolution of appreciation to UW-Madison. Regent Pointer said that as a student at UW-Madison, she had particularly enjoyed this Board meeting, with the opportunity to welcome Regents to the campus that she calls home. The students, staff, faculty, and administration are truly remarkable.

Prior to attending UW-Madison, Regent Pointer said, many friends had talked about its uniqueness. She was skeptical, but learned quickly that UW-Madison is an incredible institution that not only equips students with a world-class education, but provides an environment in which to pursue entrepreneurial ambitions, and endless leadership and activism opportunities through

the unique Wisconsin experience. She said that her experience and time at UW-Madison had caused her to grow more fond of the university that she would be proud to call her alma mater.

Regent Pointer acknowledged and thanked Interim Chancellor David Ward, whose hospitality and genuine love for the campus and the UW System, played such an integral role in her transition as a student there and into her role as a student Regent. She also thanked Provost Paul DeLuca, Vice Chancellor Darrell Bazzell, Dean of Students Lori Berquam, and their colleagues who hosted the Board.

Regent Pointer said that she could think of no better way to express appreciation on behalf of the Board and her fellow Regents, than to say “On Wisconsin.” She then read the resolution, which was approved by acclamation:

**Resolution of Appreciation: UW-Madison**

Resolution 10011: WHEREAS, the University of Wisconsin-Madison is an extraordinary educational asset, recognized worldwide for its teaching, research, and outreach efforts; and

WHEREAS, a century after the birth of the Wisconsin Idea – the principle that the university should improve people’s lives beyond the classroom – the university continues to exert its positive influence on Main Streets across Wisconsin and globally through transformative outreach programs involving faculty, students, and staff; and

WHEREAS, UW-Madison was ranked among the top 10 American public universities in 2012 rankings issued by *U.S. News and World Report*; and

WHEREAS, UW-Madison for the first time in its history conferred more than 10,000 degrees in a single year in 2010-11, with an average time-to-degree of 4.06 years; and

WHEREAS, the university’s research mission has continually grown in scope and prestige, evidenced by the fact that more than \$1-billion worth of vital, transformative research is conducted at UW-Madison each year; and

WHEREAS, UW-Madison is a strong component of a healthy Wisconsin economy, as shown in an economic analysis that estimated the university has a \$12.4-billion annual impact on the state’s economy and, along with its affiliated organizations and startup companies, supports 128,146 jobs and generates \$614 million in state tax revenue; and

WHEREAS, UW-Madison’s administration is seeking creative and cost-effective means to provide budgetary self-help to the campus through initiatives such as Educational Innovations and Administrative Excellence; and

WHEREAS, the Regents enjoyed experiencing the newly expanded Chazen Museum of Art, and applaud its expanded role as a hub for the arts on the UW-Madison campus and as a leading cultural resource for the region;

BE IT THEREFORE RESOLVED that the University of Wisconsin System Board of Regents hereby thanks Interim Chancellor David Ward, Provost Paul M. DeLuca Jr., and all of their colleagues for advancing teaching, research, and outreach and for generously extending the campus's hospitality and sharing their thought-provoking presentations as they hosted this December 2011 Board of Regents meeting.

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The meeting was recessed at 11:00 a.m. and reconvened at 11:15 a.m. in the Northwoods Room on the 3<sup>rd</sup> floor.

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## **CLOSED SESSION**

Vice President Smith called upon Regent Pruitt to present Resolution 10012, to move into closed session. The motion was seconded by Regent Higgins and adopted on a roll-call vote, with Regents Jeffrey Bartell, Mark Bradley, Judith Crain, Anthony Evers, Michael Falbo, Tim Higgins, Edmund Manydeeds, Katherine Pointer, Charles Pruitt, Gary Roberts, Troy Sherven, Brent Smith, Mark Tyler, José Vásquez, and Gerald Whitburn voting in the affirmative. There were no dissenting votes and no abstentions.

### **Closed Session Resolution**

Resolution 10012: That the Board of Regents move into closed session to consider UW-Milwaukee honorary degree nominations, as permitted by s. 19.85(1)(f), Wis. Stats., and to confer with legal counsel regarding pending or potential litigation, as permitted by s. 19.85(1)(g), Wis. Stats.

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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