

MINUTES OF THE SPECIAL MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in the Pyle Center, Rooms 325-326
702 Langdon Street
Madison, Wisconsin

Friday, February 25, 2011
10:00 a.m.

DISCUSSION: POTENTIAL SEPARATION OF UW-MADISON FROM THE REST OF THE UW INSTITUTIONS 2

Introduction – Purpose of the Special Meeting.....2
Chancellor Martin, UW-Madison.....4
 Motivation for Efforts to Gain Flexibility.....4
 Complexity and Challenge of the Process5
 Benefits of Governor’s Probable Proposal6
 Effect on Other UW Institutions6
 Regents’ Questions for Chancellor Martin7
UW-Madison Governance Groups.....12
 Judith Burstyn, UW-Madison University Committee.....12
 Heather Daniels, UW-Madison Academic Staff Executive Committee.....13
 Brandon Williams, Associated Students of Madison.....14
 Regents’ Questions for UW-Madison Governance Groups15
Michael Moscicke, United Council, and Dylan Jambrek15
 Regents’ Questions for Mr. Moscicke and Mr. Jambrek17
Chancellor Ford, UW-Parkside.....18
Chancellor Patterson, UW-Stevens Point19
Chancellor Sorensen, UW-Stout20
Chancellor Wells, UW-Oshkosh20
Chancellor Levin-Stankevich, UW-Eau Claire.....21
Chancellor Gow, UW-La Crosse21
Chancellor Telfer, UW-Whitewater22
Chancellor Cross, UW Colleges and UW-Extension23
Chancellor Harden, UW-Green Bay24
Chancellor Van Galen, UW-River Falls25
Chancellor Shields, UW-Platteville26
Interim Chancellor Lovell, UW-Milwaukee26
Interim Chancellor Markwood, UW-Superior.....27
Final Discussion.....27

MINUTES OF THE SPECIAL MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in the Pyle Center, Rooms 325-326
702 Langdon Street
Madison, Wisconsin

Friday, February 25, 2011
10:00 a.m.

– President Pruitt presiding –

PRESENT: Regents Jeffrey 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

- - -

DISCUSSION: POTENTIAL SEPARATION OF UW-MADISON FROM THE REST OF THE UW INSTITUTIONS

Introduction – Purpose of the Special Meeting

President Pruitt welcomed all meeting attendees and thanked them for being present on relatively short notice. He began by stating that this special Board of Regents meeting was not about the leadership of the University of Wisconsin-Madison. He said that the Board and System President hired Chancellor Bidy Martin two and a half years ago and have great respect for her.

He said that the meeting was, rather, about a proposal that would be a sea change for higher education in Wisconsin, about the impact on UW-Madison, and about the impact on the faculty, staff, and students at the other 11 comprehensive campuses, the other doctoral institution, and the 13 UW Colleges. The agenda has long-term implications. He said that the Board needs to have an open, frank discussion about a big new idea that came to light: the proposal to separate UW-Madison from the union of UW System campuses. This was a new issue, one that the Board did not expect to be talking about. More details would be known upon release of the Governor's budget the next week. It is important, however, to begin the

discussion; this is the purpose of the meeting. President Pruitt turned to UW System President Reilly for additional remarks.

President Reilly first thanked Rita Sears, his Executive Assistant, for her many years of service. The day of the meeting was her last day prior to retirement. He thanked her for her commitment, energy, sense of humor, and many contributions to the university system. Ms. Sears received a standing ovation from Regents and all attendees.

President Reilly noted that the Governor's budget would be introduced the following Tuesday. The Governor called for a meeting at the Capital the previous week that included all UW chancellors and President Reilly. At that time, the Governor expressed strong support for greater management flexibility for the UW institutions. This was encouraging, as the UW System has been advocating for greater flexibility for a long time. The Governor also indicated that in his budget bill he would be providing separate public authority status, to be codified in Chapter 37, Wis. Stats., for UW-Madison. He did indicate his willingness to listen and to work with the UW institutions on greater flexibility for all of the institutions.

President Reilly said that the UW System's goals are two: (1) to get the flexibilities needed to ensure the continued quality, accessibility, and affordability of UW institutions; and (2) to avoid wasteful, damaging duplication and competition among the UW institutions. It is important to hear from a wide variety of stakeholder groups. The potential of UW-Madison's splitting off has profound, long-term implications for UW-Madison and all of the constituents at the other UW institutions, as well.

President Pruitt said that the purpose of the special meeting was not to have a political debate or conduct a hearing; the purpose was to have a conversation, as the University's governing board, about an issue that affects thousands of people throughout the state: the existence of one University of Wisconsin System. President Pruitt reviewed some parameters for the day's discussion:

- (1) It can be stipulated that the Governor cares deeply about higher education in the state; the UW System plays a vital role in preparing students, powering the research that has the potential to change lives, and pumping up the state's economic engine; and the Board should congratulate the Governor for thinking outside the box in proposing increased flexibility for at least one UW institution.
- (2) The merits of the New Badger Partnership (NBP) do not need to be discussed; Chancellor Martin has done an exceptional job of advocating for the flexibilities that all in the System agree are needed.
- (3) The sole issue to be discussed is the Governor's impending proposal to split off UW-Madison from the UW System and provide it with public authority status. This is the beginning of a long conversation, and it deserves an open, in-depth conversation with the members of the Board, who are charged with looking after all of the UW System, all institutions, faculty, staff, and students. No resolutions were to be offered at this meeting.

Speakers were to include Chancellor Martin, other UW chancellors, representatives of student government, and faculty and academic staff representatives.

Chancellor Martin, UW-Madison

Chancellor Bidy Martin was invited to the podium to speak. She thanked the Regents for the opportunity to speak and to be heard on the issue at hand. She expressed the goal of preserving the strengths of the UW institutions, in service to the state, with an eye toward future generations of young people. She said that the discussion was occurring at a difficult time, when emotions were running high. Feelings about the economy and budget repair bill would become mixed up with the issues being discussed, despite attempts to disentangle them, she said. She expressed her regret that the evolution of the New Badger Partnership (NBP) and the way it was communicated contributed to the stress everyone was feeling. The stated purpose is to discuss whether UW-Madison should be separated from the System. This is difficult to discuss, she said, because (1) the final budget bill had not yet been seen, including by those at UW-Madison; (2) the question of the separation of UW-Madison from the System was not the question that has guided UW-Madison's work or thinking, but is not the most urgent issue.

Chancellor Martin said that she had consistently raised the question of how to approach the biennial budget, a new Governor, and the legislature in ways that would preserve the strengths of the institutions; this was still the most important question. She said that she argued openly for many months, at chancellors' and Regents' meetings, that expecting new funding and forecasting lower costs to educate students was not an optimal approach; she sought to emphasize instead new operational models and flexibility.

The chancellor said that the stated purpose of the special meeting was difficult to address because it is a binary question, without context. The choice of language – about the separation of UW-Madison – is limiting and emotionally laden. UW-Madison is not going away, or spinning off. It does not aim to separate itself from relationships with other institutions in the state. A different framing would be to ask how innovative possibilities can be created at the campus level to help campuses deal with the extreme challenges that confront students, faculty and staff. Does “differentiation,” a preferable word, she said, inevitably mean being ejected from the University of Wisconsin? She asked how a different status for UW-Madison or any other institution might have positive effects on the whole.

Motivation for Efforts to Gain Flexibility

Chancellor Martin said that the success of UW-Madison had motivated her for her two and two-thirds years as chancellor. UW-Madison is one of only four public universities in the world to be ranked in the top 20 universities in faculty productivity. UW-Madison ranks in the top 20 at a time when every state needs a major research university to attract talent, develop the talent of its youth, generate ideas and discovery, and apply them to real-world problems. The Wisconsin Idea guides everything that UW-Madison does. Providing access, keeping education affordable, and introducing innovation in education are important to the identity and future of the university. After years of budget cuts, a biennium with furloughs, and facing reductions in employees' take-home pay, “what to do” is the question, she said. Chancellor Martin expressed

the need to “begin with the hand we’re dealt,” and that hand has no money in it. Therefore, for more than a year, Chancellor Martin and her staff have been developing and presenting the NBP. The initiative drew upon what she learned from faculty, students, staff, alumni, and historians of UW-Madison and the UW System.

Chancellor Martin noted that the UW-Madison re-accreditation report of 1999, as well as the 2008 report, suggested public authority status for UW-Madison. There is a perceived need for changes that will preserve the strength of UW-Madison for the good of the state, the nation, and the world. Greater self-reliance is important because of the lack of funding. UW-Madison can only rely on and maximize its own resources if it can cut through layers of red tape, some caused by the campus’s own outdated administrative practices; some by the System level, as System tries to apply state law and policy in a way that will be effective; some from System’s own requirements and initiatives; but most from the state’s requirements, which leave the university without a set of coherent policies for administering higher-education institutions.

Critics often charge that the university should run more like a business. Chancellor Martin said that universities, however, are not businesses. Universities’ unique contributions are a service to the state, nation, and world. Universities are unique because freedom of inquiry is to be guarded in the university. Uniqueness does not mean that the university cannot operate more efficiently. Universities are not allowed to manage their affairs at levels at which the work must be done. It is difficult to be more responsible or responsive when time is spent following 25 steps to get approval for one purchase, for example. Responsibility without authority is a recipe for disaster, she said. If universities cannot generate, keep, and use their own resources in ways that make sense on the individual campuses, the universities cannot take responsibility for their own institutions during these difficult times. The campuses should be able to make sound, timely decisions about their own resources. The governor seems to have accepted the need for the extension of greater flexibility to UW-Madison and other institutions. She said that she would applaud the Governor if he goes forward with a model that will increase self-reliance and help support the extension of greater flexibilities, as appropriate, to other campuses.

Complexity and Challenge of the Process

Chancellor Martin said that public authority status was not on UW-Madison’s radar when the New Badger Partnership was developed. It arose as one possible model when audience members at public forums raised it; it arose in December when UW-Madison learned that the UW System was developing a public authority model for the entire System. UW-Madison was skeptical when the Governor-elect’s staff first raised the possibility. UW-Madison was stunned by the news and did not know if it was a good idea. UW-Madison asked the Governor’s staff about communications with UW System and was told that a meeting with UW System and Regent leadership was planned within the next day or two, that it was the Governor’s office’s prerogative to inform UW System. Chancellor Martin said that UW System representatives and chancellors were meeting privately with the Governor or Governor’s staff, as well. It is not unusual for chancellors to meet with legislators or the Governor’s staff. In January, UW-Madison learned that UW System had floated its own proposal for public authority status for the entire System and had also submitted reasons to the Governor’s staff for why public authority status for UW-Madison should not be considered; therefore, it appeared that the Governor’s

Office had informed UW System of the Governor's intentions regarding UW-Madison. The chancellor said that she imagined that the two or more proposals that the Governor's staff was considering would dovetail at some point. She said she also assumed that President Reilly would bring forward System's proposal and what he had learned from the Governor's Office when he deemed it appropriate. She said that in meetings with the Governor's staff she consistently emphasized the importance of flexibilities for all campuses, and also made it clear that a proposal that gained traction for the entire System and delegated flexibilities to the other campuses would be fine with UW-Madison.

Benefits of Governor's Probable Proposal

The Chancellor said that this was an iterative process, and it was not clear what would be brought forward. There are periods in a negotiation process that require confidentiality and discretion. Neither UW System nor UW-Madison controls the political process. UW-Madison did not know until days before the current meeting whether the Governor's proposal would satisfy the principles that UW-Madison was supporting. Everyone must remain open to the possibility that the budget bill says something other than what has been discussed, she said. If the bill does include added flexibility for UW-Madison, it would be an opportunity for Madison to serve as a test case. Delaying, tabling, or opposing the Governor's proposal would put all campuses in the position of taking deep cuts with no flexibility to deal with them and no alternative strategy that appears to have political traction.

Some have said that such a consequential proposal should not be in the Governor's budget. Chancellor Martin said that this puzzles her, because she has seen very consequential proposals in governors' budget bills. System's own public authority proposal would have been consequential. Also, public authority status does not seem to be the problem, since it has also been proposed for others. It is the possibility of differentiation that causes concern. Many chancellors have said that the 40-year-old system structure needs to change. Chancellor Martin submitted that the current challenges are different and urgent.

Effect on Other UW Institutions

Chancellor Martin posed the question, "Would a different status for UW-Madison inevitably harm the rest of the System?" Chancellor Martin said that UW-Madison is not going anywhere. Shared prestige among the UW institutions comes from the quality of their connections, the service they provide, and the sharing of the name, "University of Wisconsin." The pride that faculty, staff, students, and alumni feel for their particular institution is derived from something other than an administrative structure, she suggested. Even if Madison's brand does benefit everyone, the name will continue to be shared, along with library sharing, transfer agreements, and other shared opportunities. UW-Madison insisted during discussions that UW-Madison not be renamed the "University of Wisconsin," because of the importance of sharing the brand. Also, UW-Madison benefits from the strengths of the other campuses. For example, UW-Madison's water research has gotten more visibility because of the strengths that UW-Milwaukee has built in this area. Prospective students care about their areas of interest; they do not care about an administrative structure. Collaborations among campuses do not need to change. Chancellor Martin expressed skepticism about the arguments about the inevitability of

anything – of failure or of damage. She cautioned that if UW-Madison loses strength after years of cuts, no pay plan, and furloughs, its brand will no longer be available to anyone.

The chancellor reiterated that the final proposal has not been seen. A working group representing shared governance and labor on UW-Madison's campus has articulated a set of principles that should guide administrators in discussions about change for UW-Madison; this has been followed. UW-Madison's constituencies on campus are likely not in a position to take a stance on whether UW-Madison should separate from the System. The most urgent question for them is how to deal with \$250 million in cuts. The changes in research universities and higher education generally are transformative and are going on around the country. This is a time for innovation and for seizing good opportunities where they lie, not for deciding immediately that no change could ever be good.

Chancellor Martin said that she has done what she thought the Board hired her to do, to do what is right for UW-Madison, its faculty, staff, students, alumni, and supporters of UW-Madison. Without a first step in the budget bill, there will be no viable strategy for achieving what is needed in this biennium. She said that she has acted on the belief that the best way to serve UW-Madison is to develop a strategy that is adaptive to changing circumstances, to changes in higher education finance, and to declining state support. She said that she believed it was her job to minimize the damage from yet more cuts at the same time that competition among research institutions increases and to maximize the assets that UW-Madison represents to the state.

Regents' Questions for Chancellor Martin

Chancellor Martin responded to questions from members of the Regents; President Pruitt first recognized Regent Loftus, who thanked Chancellor Martin and said that he accepted Chancellor Martin's explanation of the sequence of events and looked forward to working with her to make whatever happens work. Recalling his experience as Ambassador to Norway, he posed a question about what the university campuses would be called in the future, referring to "the Former University of Wisconsin at" a particular location, such that UW-Green Bay would become "the former University of Wisconsin at G," or FUWAG. He said that in the legislature, the question will be what happens to the other campuses when UW-Madison is separated from the System.

With 8,000 UW-Madison employees about to lose their collective bargaining rights and 5,000 Hospital Authority employees and 1,300 LTEs at UW-Madison with their health insurance and retirement at risk, Regent Loftus said that UW Hospital Authority employees were surprised to learn that their collective bargaining would be affected by the current budget repair bill. He asked Chancellor Martin what would happen to UW-Madison employees if they become public authority employees.

Chancellor Martin responded to Regent Loftus, by saying that all UW institution names would remain as they are. Regarding duplication of services, she said that UW-Madison already has capacity in each area. Regarding employees and collective bargaining rights, if UW-Madison were to be a public authority, it is not necessarily the case that collective bargaining

rights would not be possible after a certain period of time. She said she would need to refer this question to the UW-Madison legal team. She said that the public authority model may provide more opportunity than does the current state agency model. The university is in a different market sector, with different needs, and needs to thrive.

Regent Danae Davis said that positions Chancellor Martin stated in her remarks could be expressed by any of the UW institutions. The divisiveness that has occurred is not owned by this Board; the Board has been consistent and transparent in asking for the same flexibilities that Chancellor Martin argued for, for all campuses, because all campuses will experience the budget cuts that Chancellor Martin describes. Describing the current situation as a tragedy, Regent Davis asked why the Chancellor thinks the proposal being discussed works for all UW institutions, or if the chancellor does not care if it does not.

Chancellor Martin, saying that she does care, indicated that it might be ideal for all campuses to move forward in the same way at the same time. She said she has argued for the importance of the flexibilities for all campuses, every step of the way. However, it is important to recognize that there are differences among the universities, and a major research university has different challenges, as countries have begun to invest in research universities for their economic needs. She said she agrees that every single campus does need greater budgetary and decision-making authority at the campus level. She said she cares about the other campuses; it is her job to put forth arguments for the good of UW-Madison, and it is the System's responsibility to put forward proposals that will work for the entire System. She said she could not account for why System's proposals have not gained traction. UW-Madison has the resources, administrative capacity, and size to demonstrate that a university can take responsibility for its own resources and operate effectively and efficiently. UW-Madison could be a first step in demonstrating this, given the hand that has been dealt.

Regent Falbo commented that further study would be necessary. Whatever the circumstances that led to the current situation, he applauded Chancellor Martin for her effectiveness and said that he hoped that that effectiveness could continue with the success of the UW System as the number-one goal. He said that she has opened up some possibilities, and the opportunity should be used to produce a new and better system. He asked why Chancellor Martin cannot do everything she wants to do as part of the System.

Chancellor Martin repeated that a proposal on behalf of the entire System had not gained traction or legislative support. Also, there was no assurance that flexibilities that might be achieved through another process would be delegated to the campuses, and the structure that would develop through another process is uncertain. If there is a very strong proposal that seems as though it would grant UW-Madison the authority it sought, in a structure that seems good for everyone, even if somewhat different than the current structure, then UW-Madison would seriously work on such a proposal.

Regent Crain spoke next, beginning by saying that she, her husband, and her sons are all UW-Madison graduates. The discussion is critically important, she said, and the issues need public discussion across the state. She said she appreciates the leadership of the System in discussing the issues over time; the Board has been strongly supportive of the flexibility that UW

institutions need. She asked Chancellor Martin if there is another model that would afford the needed flexibility, without the separation of UW-Madison from the System.

Chancellor Martin said that time was spent exploring the state of Virginia model. In that model, different public universities have different levels of autonomy according to their missions and mix of revenue sources and capacities is an interesting model. Virginia has a coordinating board; each separate university has its own governing board. It would be difficult to argue that the universities in Virginia suffer by not having the super-structure that the University of Wisconsin has. There are a lot of different possibilities. Two things have to be satisfied: innovations that make sense, and proposals that can gain traction in the present urgent circumstances.

Regent Smith asked about access to a final draft of a bill from the Legislative Fiscal Bureau. Regent Walsh joined Regent Smith in asking this question. Provost DeLuca responded that UW-Madison is not allowed to release material that it does not own, so was not allowed to release a Fiscal Bureau draft.

Regent Smith referred to a February 15, 2011 letter to Governor Walker from President Pruitt, Vice President Spector, and President Reilly, saying that it is not necessary to spin off UW-Madison from the System for UW-Madison to have the flexibility it wants and needs. A proposal that would apply to all UW campuses was attached to that letter. Regent Smith asked if Chancellor Martin would support this letter over the public authority model. Chancellor Martin said that she would not support this at the expense of the public authority model. An alternative proposal would have to have a strong chance of succeeding, and it would have to have delegation to the campuses in statute. She said that the proposal Regent Smith referred to was a good one; she was one of the chancellors who argued most insistently that the System did not have a strong enough proposal, or one that sufficiently benefitted the campuses. She said that the referenced proposal still needs work and is not innovative enough. An alternative could be developed, and she would be open to discussing it, but such an alternative is a long way away.

Regent Drew was recognized next, and he first congratulated UW-Madison students, faculty, and others who participated in the recent demonstrations in opposition to an assault on collective bargaining rights. He said that Chancellor Martin has provided inspirational leadership for the UW-Madison campus. However, UW-Madison has always been a place where the best and brightest Wisconsin students could go to a world-class university regardless of their means. He said the current proposal could move Madison toward becoming a higher-tuition model that would exclude middle-class and working families from attendance. This would, in turn, put a strain on other campuses, and fewer college graduates may be the result.

Chancellor Martin responded by saying that the proposal is not an inevitable step toward privatization, and affordability is a huge issue. She said that it is important to strike a balance between access and affordability and quality. If quality is lost, the balance will be lost. UW-Madison has room to move on tuition, to get to the rates that its public peers charge; other institutions also have room to move, compared to their peers. Tuition should be increased only if

(1) students with need from families making \$80,000 or less should be held harmless from the increase; (2) more need-based financial aid should be provided; (3) families should be informed about the sticker price as compared with actual cost of educating a student.

Chancellor Martin also said that the increase in tuition at UW-Madison was more than 9 percent in each year of the past biennium when differential tuition is added to the base 5.5 percent tuition increase. Therefore, discussions about the significance of a possible 10 percent tuition increase in the future are misleading. No one has agreed to any tuition amounts at this point; however, it is important to keep an open mind about the challenge of quality and affordability.

Regent Walsh asked President Reilly about the chronology of UW System Administration's meetings with the Governor's office. President Reilly said that President Pruitt, Katharine Lyall, and he met with members of the Governor-elect's transition team on December 6, 2010, looking for ways to get the flexibilities the System had sought for many years. A public authority was one possibility that was discussed. On January 7, 2011 UW System Administration met with the DOA Secretary and some of his staff and Governor's Office staff, who said they would get back to the System. There was no real proposal for an authority; it was a conversation about an idea. The January 7th meeting was the last meeting.

Regent Walsh said the focus on the conversation should focus on the future, although it would be useful if UW-Madison would share the Legislative Fiscal Bureau report, so that Regents would have information about what it says. He said that in the 1970s, his father was one of the lead lobbyists against the merger of the UW System. Regent Walsh said that he did not like the idea of merger at the time, but looking back, and reading the Cronon book about the history of the UW System, he realizes that there were some problems that were solved by merger. UW-Madison and the System have flourished.

Regent Walsh said he is not happy about how the present situation developed, but as the legislative process proceeds, there will likely be changes. At some point in the deal that was struck, Chancellor Martin would identify things that are not good for Madison. He asked Chancellor Martin to focus on the sentence, "the Board of Trustees will set tuition." He asked Chancellor Martin if she would still support the proposal if the legislature said "no" to this part of the proposal; Chancellor Martin said that if the legislature were to decide the rate of tuition increases, then she would oppose this, because this would not be a public authority. Regent Walsh asked if there were other provisions that would be deal breakers. Chancellor Martin responded by saying that Chapter 36's guarantees of shared governance rights, tenure, and all the things that make the university what it is are essential. In what had been seen so far, the Governor's proposal is an extraordinary opportunity. There are risks to UW-Madison in the public authority route, but the biggest risk is a 15 percent cut, a tuition cap, and no new tools to deal with the cut, she said.

Regent Walsh summarized Chancellor Martin's point, saying that shared governance, tenure, and tuition are big items; she agreed. He said that one of his concerns about a statutory authority is that it leads to competition for dollars, and if the deal breakers are not avoided, the

authority status is not worthwhile. Another troubling aspect is the idea of making a deal with someone who cannot promise to abide by the deal; legislation can change.

Chancellor Martin alluded to the success of the UW Hospital Authority, in response to which Regent Walsh said that the Hospital Authority is not a good example, because it does not get money from the state, nor does WHEDA. A statutory authority means nothing until the underlying deal is examined.

Regent Wingad expressed his respect for Chancellor Martin as UW-Madison's leader. He said that it sincerely pained him that things progressed as they did. He said that he would like to understand better how student leaders and constituents were part of the development of the proposal being discussed. After expressing her respect for Regent Wingad, Chancellor Martin said that ASM, the student governance group, was part of the working group that started in early January to articulate principles to guide the chancellor and other chancellors as they had discussions and did research. Shared governance – faculty, staff, and student rights – was one of the most important issues. These things had to be guaranteed, and they have not been questioned. Regent Wingad asked about students' involvement in the development of the proposal; Chancellor Martin said that no shared governance group has been involved in discussions of a split from System, because UW-Madison administration has not been involved in those discussions. Students, staff, and faculty knew that the Governor was considering a separate status for Madison, but the details were not available to provide to these groups.

Regent Vásquez said that Chancellor Martin is the type of chancellor that every campus needs, and the group of UW chancellors consists of strong chancellors who advocate for their campuses. However, at the same time, a strong System governing board is needed, because otherwise each campus would be a private entrepreneurship venture. He congratulated Chancellor Martin for her initiative and wished UW-Madison continued success. He said that “the train has left the station,” but the current mode of operating in government is one in which ideas are presented as final, rather than for discussion, debate and compromise. He said that the Regents should focus on making the remainder of the System as strong as they possibly can. Regent Vásquez added that he would advise, based on his work with elected officials from the local to the federal level, that the moment officials provide any funding at all, they feel that they have the right to dictate. He said that she should beware of this, and also that elected officials want to do the best that they can for their constituents, such as when they might inquire about why a UW applicant in their district was not admitted to the UW. Elected officials would still want to do their best for their constituents, even if UW-Madison receives public authority status. Finally, Regent Vásquez said that no governor can make a promise for the legislative body. Chancellor Martin said that she got calls from legislators during her 20 years at a private university. She also said that the governor did not promise anything. No deal was cut. It was a process of assessing what might be possible.

President Pruitt suggested, in response to Regent Vásquez's comments, that this was the beginning of a process, and the conclusion regarding a public authority for UW-Madison is a long way away. Further conversation is required.

Regent Walsh, similarly responding to Regent Vásquez's comments, said that his concern is that, by law, the governor and the legislature cannot commit to an agreement. Circumstances change, the law may change, and it is something that they will not necessarily honor.

Regent Bradley, referring to the four volumes of the Cronon book on the history of the UW System, said that every governor has concluded that some coordination is going to be best. Legislators make policy in an attempt to prevent things from occurring that they do not like; for example, they sought a system that would reduce conflict over resources, promote credit transfer, and promote controls over tuition. Regent Bradley said that he believes that the way to deal with the hand that's been dealt is to provide public authority status to all UW institutions. Current legislators, as did those in the past, are going to look for ways to prevent things they do not like from occurring. However, none of the current legislators have had an opportunity to hear from Chancellor Martin or the other chancellors or deans in communities around the state about the proposed public authority. He asked if Chancellor Martin would oppose an effort to remove the public authority from the budget bill, to have it debated and examined around the state. Chancellor Martin said that she would oppose efforts to remove the public authority and have it debated as a separate piece of legislation because she has already talked about the issues for more than a year, in more than 40 presentations and more than a dozen media appearances around the state. President Reilly and many Regents have also talked about these issues. To take out the authority and leave only a cut would be devastating, she said. She said that the situation is urgent, and she had stated in chancellors' and Regents' meetings that a different approach is needed.

Regent Falbo said that the process is not done; and the Governor does not always get what he wants. He predicted that the Regents still have a big role in the final outcome, and the final outcome will not be the proposal that the Regents are not even allowed to read yet; it will be something different.

Vice President Spector agreed with Regent Falbo's point. He said that this is a watershed time. He commended Chancellor Martin for the points she has made, saying he agreed with some of them and not with others. The public policy process is just starting. He commended President Pruitt and President Reilly for holding the special Regent meeting.

President Pruitt thanked Chancellor Martin for her remarks and Regents for their questions.

UW-Madison Governance Groups

President Pruitt stated that members of several UW-Madison governance groups would offer remarks.

Judith Burstyn, UW-Madison University Committee

First to be invited to speak was Professor Judith Burstyn, a faculty member since 1990 and chair of the elected Executive Committee of the UW-Madison Faculty Senate (the University Committee) and a professor of chemistry.

Dr. Burstyn thanked Board members for the opportunity to offer a perspective on whether UW-Madison should be separated from the rest of the UW institutions. She said that she would make a statement on behalf of the University Committee (UC), and not on behalf of the faculty. The UC had not yet had the opportunity to engage the faculty in a broad discussion about the possibility of separation. However, the UC has made concerted efforts to follow the development of the New Badger Partnership and its potential implications. The UC drafted a set of principles to guide negotiations with state government concerning more flexibility for Madison. The Faculty Senate and other campus groups formally developed those principles, including preservation of shared governance, academic freedom, and tenure. Dr. Burstyn said that it is believed that these principles are included in the draft legislation. UW-Madison's governance structures engage thoughtful people in shaping the institution and respect everyone's rights to representation. The UC supports greater flexibility for UW-Madison in the areas of procurement, capital projects, personnel, and tuition.

Dr. Burstyn said that the UC learned from the chancellor in early January that public authority status for UW-Madison was on the table; also, the Chancellor's legal staff were in the process of drafting statutory language for the Governor to include in the budget bill. The UC asked to review the draft language. Some of the UC participated in developing the draft language. They were told that confidentiality was crucial at that stage, and they therefore maintained confidentiality. The UC is optimistic that the proposed new structure would be beneficial; however, they have not had the opportunity to understand the implications for the other institutions in the System.

Heather Daniels, UW-Madison Academic Staff Executive Committee

President Pruitt next introduced Heather Daniels, chair of the Academic Staff Executive Committee at UW-Madison, which represents shared governance for more than 7,500 academic staff, and a Senior Administrative Program Specialist in the Research Division of the Graduate School. Ms. Daniels expressed her thanks for being invited to speak. When she found out she had been invited to speak, she sent a message to academic staff assembly representatives, asking for their thoughts. There was significant interest, and opinions were mixed. One of the emails drew Ms. Daniels' attention to the 2009 reaccreditation report, she said. In the report from the Higher Learning Commission, aspects of the institution's administrative structure caused concern: "Because of state regulation and System processes, UW-Madison lacks many fundamental operating options that peer and competitor institutions typically enjoy."

Ms. Daniels said that the academic staff as a whole were not ready to give a yes or no regarding the proposal; decisions of such magnitude should not be made in just a few days. However, she said she would share responses she received from academic staff.

Beginning with risks, she said that many responses expressed concern about the political climate and lack of control of the process and final product. Many expressed concern that tuition would continue to rise, that tuition would rise faster if Madison goes alone, and that financial aid will not be able to keep pace with students' needs. Several emails pointed out strong ties with UW-Extension and other UW institutions; the close collaboration might become more difficult,

and institutions may compete for state resources. The process going forward must be more open in information and participation, and there must be a dialog between all affected parties.

There seems to be general agreement among academic staff that UW-Madison needs additional flexibilities, as mentioned in the 2009 reaccreditation report. Many of the flexibilities relate to academic staff only tangentially. Focusing on personnel, which does affect academic staff, Ms. Daniels said that many issues related to titling, salary ranges, and promotional title sequences have long been a concern. UW-Madison makes extensive use of the titling system. Ms. Daniels provided an example of the limitations of the promotional-sequencing system. These and other personnel issues have the potential to be addressed if UW-Madison is given greater flexibility in the area of human resources.

Ms. Daniels urged that fear of change not guide decision-making. More information is needed; and an honest and open debate must occur at UW-Madison and across the state.

Brandon Williams, Associated Students of Madison

President Pruitt introduced Brandon Williams, chair of Associated Students of Madison, the official student government of UW-Madison, who said that ASM has not taken an official stance on his presentation. His words represented his own views, those of the students with whom he had contact, and his constituents. Mr. Williams began by saying that common ground exists in various areas: flexibility in key administrative areas has been a theme for many years; the institutions share the burden of state cuts; there is a shared respect for the Wisconsin Idea; and there is shared interest in maintaining the quality of UW institutions. One more area in which there should be agreement is that there are complexities and needs at UW-Madison that differ from those of other UW institutions. Students have proceeded with caution and a critical eye toward the proposal to separate UW Madison from the System. A new model of differentiation is a substantial change that warrants a substantial review. Students are specifically concerned with the shared governance provisions in s. 36.09(5), Wis. Stats.

Students have not yet seen the final bill and so cannot unequivocally support the proposal for public authority status. Mr. Williams said that he would speak to what students perceive to be concerns and benefits of the proposal, based on the Legislative Reference Bureau documents. These documents indicate that the New Badger Partnership working group's principles, including the principle of shared governance, are maintained in the proposal. The proposal separates segregated fees from state dollars and gives the university the opportunity to manage its own funding streams. The proposal appears to localize control over tuition. The proposal does not appear to sever UW-Madison's connection with the state or the rest of the UW System.

Mr. Williams said that students' thoughts on the proposal are mixed; there is also misinformation circulating. United Council has rushed to oppose the proposal. However, based on the information available so far, it appears that the proposed change maintains a public mission, maintains a connection to and financial contributions from the state, allows for flexibility in new and creative ways, and maintains the Wisconsin Idea.

Regents' Questions for UW-Madison Governance Groups

President Pruitt invited Regents to address questions to any of the three governance speakers. Regent Loftus, speaking to Professor Burstyn, said that he was in the legislature for 14 years, including two years as majority leader and ten years as speaker. There were many legislative battles regarding the University. One of the risks is that all of the decisions will be made by one political party. The Dane County delegation is in the minority party. All but a couple of legislators who are UW-Madison graduates are in the minority party. Noting that he ran for governor in 1990, Regent Loftus said that more than 50 percent of the funds he raised came from the campus and the west side of Madison, including faculty. Regent Loftus said he saved the faculty from disaster many times; the faculty are influential. Key players are the faculty, the chancellor, the president of the university, and the president of the Regents; that foursome may not be as united as they have been in the past. Professor Burstyn acknowledged these points, saying that the University Committee is terrified.

Regent Smith asked about the composition of the University Committee. Professor Burstyn said that a six-member committee is the Executive Committee of the Faculty Senate. The University Committee is the group that meets regularly with the administration and helps to administer the institution.

Regent Smith expressed incredulity that some parts of the System are able to read the draft budget-bill language and others, including members of the Board of Regents, are not able to read the draft. He asked about Dr. Burstyn's earlier statement that a bill was being drafted in January by the UW-Madison legal team, that the bill included a public authority, and that she was told not to tell anybody. Dr. Burstyn confirmed that this was the case. Regent Smith asked who told the University Committee not to tell anybody; Dr. Burstyn said that they were informed by their chancellor that this was an opportunity and that they were not to tell anybody.

On behalf of the Board of Regents, President Pruitt thanked all of those who presented in the morning. The Board recessed for lunch at approximately 12:20 p.m. and reconvened at approximately 1 p.m., at which time President Pruitt noted that the morning had provided an opportunity to hear from the UW-Madison community. The afternoon session would be focused on the effect of the separation of UW-Madison on the rest of the campuses in the System.

Michael Moscicke, United Council, and Dylan Jambrek

President Pruitt introduced Michael Moscicke, Government Relations Director for the United Council of UW students, which represents 140,000 students on UW campuses across the System. Mr. Moscicke said that he is a UW-Madison and UW-Waukesha alumnus, as well as a former employee of the Department of Administration and Department of Health and Family Services, and a former Republican candidate for the state Assembly.

Mr. Moscicke noted that he was present to discuss the severing of UW-Madison from the rest of the System, rather than any other issues. He said that he has heard that the separation of Madison is part of the Governor's budget and is a done deal; he has also heard Chancellor Martin say that no promises have been made by the Governor. At the same time, legislators appear to be

either unaware of this part of the plan, or they are opposed to it. An expressed benefit of the separation of Madison is that it would give UW-Madison freedom from the Board of Regents and more authority to deal with UW-Madison's unique issues. Mr. Moscicke suggested that having a board for UW-Madison would give the chancellor a board more likely to micromanage UW-Madison. The current Board of Regents is already even more "Madison-centric" than is necessary, he said. UW-Madison has disagreed with the Board of Regents only rarely. One time was in the case of Chapters 17 and 18 of the UW's administrative code; the Board of Regents defended the right of students to have legal counsel during the Chapter 17 disciplinary process. Thus, students benefitted from having this Board represent their views. The other time he witnessed disagreement was in the process used to approve differential tuition on the campus. Madison students have benefited from the statewide Board's involvement in this area, as well. UW-Madison has grown in its prestige around the country; the current Board has in no way inhibited this growth. Having a board of its own would not add any particular benefit to UW-Madison's growth.

There is in-fighting right now within other current higher education systems, the Wisconsin Technical College System and the non-state Wisconsin Association of Independent Colleges and Universities. Expanding that in-fighting will not benefit the UW System.

When the Board of Directors of United Council took a stance on the issue of the separation of Madison, it was not rushed. They looked at this very specific issue, weighing the benefits and the risks. Among the risks are a micromanaging board, tuition increases, enrollment based on income levels, and elimination of research funds. Also, most shared governance rights are not rooted in the language of state statutes, but have developed through case law. All of those case law decisions may or may not apply to a revised statute. If Madison is a public authority and not a state agency, this may affect the interpretation of the case law that says that students' rights are an extension of a state agency. If UW-Madison governance policies are changed, how they will be changed under a new board of trustees is unknown. The risks outweigh the potential benefits. United Council does not want to roll back 40 years of efficiencies and gains.

Mr. Moscicke introduced Dylan Jambrek, the student government president from UW-Eau Claire. He said that the student representatives have worked to move in the opposite direction of UW-Madison, working toward statewide representation by the United Council. When he heard that Chancellor Martin was seeking independence from UW System, he sought the input of other student representatives from around the state. They co-drafted a letter, signed by the student presidents and vice presidents from UW-Eau Claire, Green Bay, Stevens Point, Milwaukee, La Crosse, Stout, Superior, Manitowoc, Platteville, Marinette, and Parkside. Mr. Jambrek read a letter from these students, which said, among other things, that the UW System has become a model system, that separating UW-Madison from the remainder of the system could put into jeopardy the shared governance protections that students, faculty, and staff now enjoy; that policies and rules would need to be rewritten; that costly competition would result; and that the proposal would undo decades of work. The letter requested that the proposal be removed from the state's biennial budget. Mr. Jambrek concluded his remarks by saying that most student leaders strongly oppose the proposed split in the UW System.

Regents' Questions for Mr. Moscicke and Mr. Jambrek

President Pruitt thanked Mr. Moscicke and Mr. Jambrek for their remarks, and then called upon Regent Bradley, who said he would distance himself from any suggestion that a chancellor, provost, or dean would ever allow the UW-Madison campus to put more emphasis on family income than academic merit. In addition, regarding a Madison-centric board, since he has been on the Board, the Board has been accused of being Milwaukee-centric. This accusation seems to follow wherever the funding is provided.

Regent Loftus commented that the University of Virginia, which Chancellor Martin noted was a model, has had significant tuition increases. Quoting former UW-Madison Chancellor Wiley, Regent Loftus said that when tuition is raised, median income of incoming-freshmen families goes up; and brains are not confined to wealthy families.

Regent Walsh said he was very involved in defending the right of students to have a lawyer during the student-discipline rules process. He did not recall that the chancellor's office at UW-Madison was involved in debating this issue, although UW-Madison staff were. Revenue is an issue, given the declining state contribution. He said that he believed that tuition should be raised more than some of his fellow Regents, but it does have to be affordable. He asked the United Council and student representatives what the solution is.

Mr. Moscicke responded by saying that United Council had not taken a stance on tuition the last time it presented to the Board. However, tuition cannot be increased repeatedly, because it is not a bottomless pit. There must be a limit at some point. There is no one solution, but it is not breaking off Madison from the System.

Mr. Jambrek said that UW-Eau Claire had recently added differential tuition; the only reason the students approved this increase in tuition was because the administration had to submit why the increase was a good idea, what the goals and outcomes were going to be for the use of the funds, what the financial aid package was going to be, and what shared governance over that tuition package was going to be. If a campus is broken off and oversees its own tuition, the independent overseer that the board represents is absent.

Regent Danae Davis expressed her appreciation for the students' views. She said that a grassroots effort that is representative of the other campuses around the state is going to be necessary to avoid having Madison separate from the System. She asked what student leaders are prepared to do to win this in the legislature. Mr. Jambrek said that he spent five days recently lobbying at the Capitol on behalf of faculty and staff; students will come forward on this issue, as well, because they are very committed to the investment in higher education in their communities. Regent Davis asked Mr. Moscicke what Regents can do; Mr. Moscicke suggested that administrators should speak directly to Joint Finance Committee members about what is best for their campuses.

Chancellor Ford, UW-Parkside

UW-Parkside Chancellor Debbie Ford spoke next, saying that UW System's vision for growing people, growing jobs, and growing communities inspired her to seek the chancellor position at UW-Parkside. She said that she was grateful to be a part of this world-class and model system of higher education. There are three higher-education systems serving the citizens of Wisconsin, the University of Wisconsin System, Wisconsin Technical College System, and private colleges and universities. She questioned whether now is the time to create another governance system, and said that the answer to this is no. She said she feared that the creation of a separate governance system for UW-Madison would lead to unnecessary duplication, greater competition for limited resources, confusion, increased cost, and a negative impact on recruiting quality faculty and staff. Establishing new governance relationships would distract from the core mission of teaching, learning, service, and research. The UW-Parkside Foundation board asked Chancellor Ford to convey its serious concerns about how the separation of UW-Madison would negatively impact both the UW System and UW-Parkside. Faculty and staff share the concerns.

Chancellor Ford said that for six-and-a-half years she worked in higher education in the state of Florida. In 2002 the governance model for public higher education changed from a centralized board of regents, to the creation of individual boards of trustees, and later the creation of a centralized board of governors. The legislature retained its authority to set tuition. During this transition, there appeared to be a lack of a shared vision, increased competition in the state capitol for declining resources, and endless focus on defining the governance model. The community colleges, meanwhile, had a shared vision, and successfully lobbied for additional resources and authority to offer four-year degrees. Wisconsin's vision for higher education and the goal of increasing the number of Wisconsin residents with a college degree are important. Energy should be focused on students' needs, not on creating another system of governance to replace a world-class higher education system.

Funding has been declining; the current funding model is broken; flexibility from the state is needed; and UW System and campus policies and practices must be updated to create a 21st-century management and financial model for public higher education in Wisconsin. Chancellor Ford said that she agrees with Chancellor Martin that now is the time to change the model. This is best accomplished as a unified system of public higher education.

Chancellor Ford said that she would continue to advocate for greater flexibilities from state controls and mandates that reduce the campus's flexibility in creating quality educational experiences for students. At UW-Parkside over 66 percent of students are the first in their families to go to college. UW-Parkside benefits from many services and resources the System provides, such as the University of Wisconsin System brand identity, centralized legal services, common systems, professional development, and partnerships to provide quality higher education. Economies of scale cannot be ignored. Chancellor Ford said that she appreciated Chancellor Martin's leadership in advocating for the Badger Partnership; all UW institutions need the same flexibilities and need to be treated as institutions of higher learning, and not as another state agency.

In 1894, the Wisconsin Board of Regents set a bold vision for the citizens of Wisconsin. She said that she hoped that the sifting and winnowing process envisioned at that time would help develop new ways of leading, managing, and funding higher education for the greater good of Wisconsin.

Chancellor Patterson, UW-Stevens Point

UW-Stevens Point Chancellor Bernie Patterson said that he was relatively new to the state. He said that he is not sure everyone throughout the state fully grasps how highly regarded the University of Wisconsin System is around the nation and around the world. The reputation of the System is beyond description. When he was contacted about the position at Stevens Point, this was his first thought. He would have been much less likely to consider the position had the current conversation been going on the year before, when he was contacted. He came to Wisconsin for two reasons: the wonderful faculty, staff, students, and community members at Stevens Point, and the reputation of the System.

The proposal being discussed – the separation of the flagship from the system – is a bad idea. Citing a recent discussion with business executives and close relationships between UW-Stevens Point and industry, he said that it is bad for business in central Wisconsin. It would be difficult to retain and recruit quality faculty if the system and relationships with businesses start falling apart. The split is also a bad idea for students because it will be hard to recruit faculty. Chancellor Patterson said that he was encouraged to hear in the morning that the name of the University of Wisconsin would not be changed, but he noted that nobody present at this meeting can make a promise about what will happen in this regard in the future, with a new board at UW-Madison on the horizon. Aside from the brand, there would be more competition for limited resources; if there are multiple boards, there would be competition. Another concern is the transfer of credit; he asked whether it will be as seamless as it is today. He suggested there could be mission creep, which leads to credit creep, which leads to more time to degree, which leads to higher costs for students. He said he worries about tuition going up, particularly at UW-Madison; if Madison becomes more expensive, the other UW institutions may be held down artificially, becoming the “affordable alternative;” and leading to problems with hiring new faculty, supporting undergraduate research, and continuing basic operations.

There are 180,000 students in the System, 40,000 at Madison, and 140,000 across the state. It is important to think about the big picture. One of the main reasons for the 1971 merger was to reduce cost; there’s no reason to think that a separation would reduce costs. Chancellor Patterson suggested a possible solution is a public authority for the entire System. The Governor said there was only time to prepare a budget document for UW-Madison, and there would be something later for the other institutions. However, it would be easier and less complicated to develop one public authority. It is not clear why there was time to do the more complicated, rather than the more simple approach, which would benefit all 26 institutions. Flexibility is absolutely needed.

Finally, Chancellor Patterson told Board members that morale is very low on his campus; people are scared and anxious. Some have been in tears about all that is happening with the budget repair bill, followed by this recent proposal to split off UW-Madison. It feels like a

divorce is occurring, and the ones who come up short will be the children; in this case, the concern is about the students. At least in a divorce, there is a fair hearing by an impartial court; it does not feel as though this will happen in the current situation. This does not feel like the Wisconsin way, and it flies in the face of the Wisconsin Idea. He urged that energy be spent to find a way to move forward together, as 26 institutions, as one University of Wisconsin System.

Chancellor Sorensen, UW-Stout

UW-Stout Chancellor Chuck Sorenson said that in 22 years in the System, he had gone through many Regents and three presidents, and he came from the University of Michigan, where there was significant change. In his years at UW-Stout, there has been a consistent discussion about the need for flexibility. He thanked Chancellor Martin for bringing this issue up in a way that gained attention after so many years of discussion. The UW “comprehensive schools” are distinct schools, with distinct missions. He said he fought hard for the polytechnic designation for UW-Stout, which led to more visibility and more funding from donors. In the 21st century, with greater competition in higher education, and because of market needs, greater flexibility is needed. It is important to build growth at the individual schools, not because of Madison, but because of programs, faculty expertise, and who they are individually. If Madison leaves, it will not destroy the UW System. However, change is needed, and a healthy dialog must take place.

Chancellor Wells, UW-Oshkosh

UW-Oshkosh Chancellor Rick Wells noted that UW-Oshkosh recently hosted a systemwide conference on civility in everyday life. Based on that conference, he said he brought LARA with him; LARA stands for “Listen, Affirm, Respond, and Add information and analysis to the question at large.” He began with the thesis that the original, very good Wisconsin Idea as delivered by the University of Wisconsin System could be improved in terms of deregulation and leadership flexibilities. The antithesis is the Badger Partnership, which clearly includes strong ideas that will help gain the synthesis, the improvement of the Wisconsin Idea. However, one part of the Badger Partnership is the sailing away of the flagship institution, because it does not want to carry the flag anymore. This is a bad idea, he said. UW-Madison now receives 38 percent of state GPR; Chancellor Wells predicted that if a public authority is created for Madison, and maybe for Milwaukee, within six years 50 percent of a decreasing supply of state support will be at UW-Madison. Also, Madison will receive flexibilities, but they may not come to the greater-Wisconsin universities and colleges, which will put pressure on these universities to keep tuition down. It will be affordable, but of less quality, because the level of GPR funding will have declined, compared with the current system.

Therefore, Chancellor Wells said, it is important to make the case that UW-Madison as part of the UW System should be fully supported in implementing all of the leadership flexibilities that it asked for, and as the rest of the institutions are ready, the same flexibilities should be made available to them. Otherwise, the System will be part of the growing polarization in the country and in the state; a three-tiered system of haves and have-nots is not something with which the great state of Wisconsin should be associated.

Chancellor Levin-Stankevich, UW-Eau Claire

UW-Eau Claire Chancellor Brian Levin-Stankevich said that he was the proud chancellor of UW-Eau Claire. He noted that he was wearing a blue and gold tie. When he roots for sports teams, he roots for the UW-Eau Claire sports teams. When he thinks of excellence, he thinks of the excellence of the students at UW-Eau Claire. He worries about the faculty and staff at UW-Eau Claire, and also about the value of a UW-Eau Claire degree. He also has ties to UW-Madison, conducting research at the UW-Madison Law Library, and being an affiliate of the Center for Russian, East European and Central Asia studies. He and his colleagues are proud of UW-Madison.

The System has become a student-funded system. He said we worries about not having flexibilities to weather the storm of declining resources. He applauded Chancellor Martin for putting the question of how to sustain excellence in higher education at the forefront; he said that for him it is less a question about numbers of boards. A year before UW-Eau Claire brought forward a differential-tuition proposal, a year was spent meeting with legislators and discussing whether there would be a different way. When he read the New Badger Partnership, Chancellor Levin-Stankevich agreed with its content; UW-Eau Claire needs the same flexibilities that proposal identifies. He said that a concrete proposal has now created a dualistic choice; the question is whether individual institutions would be in the existing regulatory, structural environment with Madison or without Madison. The regulations would exist for UW-Eau Claire, even without Madison. He would prefer to re-frame the question as one of how to sustain higher education in Wisconsin and retain the excellence and unique strengths that every single campus has.

Like Chancellor Sorenson, Chancellor Levin-Stankevich said that he came from the state of Washington, where each university had its own board, under a higher education coordinating board, which provided a level of control. There are many organizational and structural options to consider; including the Virginia model; the key is to have an authority work not as another state agency, but to have the opportunities to respond to the new higher-education environment. This issue now has some attention, and there should be discussion about how to sustain excellence in the state.

Chancellor Gow, UW-La Crosse

UW-La Crosse Chancellor Joe Gow began by saying that Regent Walsh is wise to frame the issue as a resource question. He also agreed with Chancellor Levin-Stankevich that the present conversation is long overdue. A one-percent tuition increase amounts to nearly \$7 million for the UW System. An erosion of resources has resulted from the recent level of tuition increases, compared with cuts of up to \$250 million. The impact can be seen on campus. The university is unable to appropriately compensate the hard-working faculty and staff who are the reasons for the university's success; class sizes get bigger; and classes are not available. He observed that Chancellor Martin is trying to find a way to break out of this cycle. It is necessary to take a long-term view of education funding. The government's share is declining, and students will be asked to pay more. It is painful when quality is compromised and talented faculty and staff leave UW institutions or resign themselves to a pessimistic existence. To the

Governor's credit, he has opened the door to this conversation; however, it is not necessarily an automatic that an institution with its own board will raise tuition to where it needs to be.

Chancellor Gow urged the Regents to think about the long-term resource implications and to look at difficult questions on tuition. The Board allowed UW-La Crosse to raise tuition quite significantly; this was a good process through with UW-La Crosse had to explain why the funds were needed and how they would be used. Chancellor Gow said that he had received no complaints from students' parents. If the alternative is that quality declines dramatically, people do not want that and will go elsewhere.

Chancellor Gow recalled walking to the Capitol to the last budget address and learning by phone of last-minute changes in the budget. He suggested it would be helpful to have more information about what the proposed plan would mean for everyone else in the System. He said that the morning's conversation, for instance, was the first he had heard that UW-La Crosse would still be named UW-La Crosse if UW-Madison were to leave the system. He found that reassuring. Funding and governance details would also be helpful to know as the idea develops.

Chancellor Telfer, UW-Whitewater

UW-Whitewater Chancellor Dick Telfer said that he was in his 26th year in the UW System, his fourth year as Chancellor. He said that he wanted to comment on his campus. Several open forums had been held on campus. Budget cuts have been faced for a long time. Governor Doyle's \$250 million cut was difficult; furloughs are a financial and morale drain; employees are facing cuts in take-home pay of 8 to 12 percent due to pending legislative changes in benefits costs.

Chancellor Telfer said that there is significant anxiety and apprehension about things, such as collective bargaining changes, that are in the budget repair bill and things that may or may not be in the budget bill. In addition, good workers, people who have devoted their lives to public service, are being vilified. They are looking for a light at the end of the tunnel. The university has been talking about flexibilities for a long time; Chancellor Telfer said that the concrete proposal is the closest the university has been for a long time. He said he believes UW-Madison should not be separate; but the opportunity to gain greater flexibility is something the university needs as a goal.

Chancellor Telfer said that he was terrified about what would happen to the university because of the cuts; citing several recent examples, he said that people were leaving because they were very concerned about what will happen. The quality of the institution is tied in with the people who are making those decisions to leave UW-Whitewater. He said he values strongly the relationships with the other institutions in the UW System. Without significant flexibility, UW-Whitewater is at risk. It is necessary to emphasize, as a System, the reasons why the flexibilities are needed.

Chancellor Cross, UW Colleges and UW-Extension

UW Colleges and UW-Extension Chancellor Ray Cross said that UW Colleges and UW-Extension appreciate the Governor's interest in providing more flexibility to public higher education in Wisconsin. The primary focus of these two statewide institutions, with a presence in all 72 counties, is to make sure they are meeting the needs of the people, businesses and communities throughout the state. They live the Wisconsin Idea daily. They are outreach-focused. In approaching the question at hand, they must ask if the separation of Madison would help the citizens, businesses, and communities of Wisconsin.

New to Wisconsin, Chancellor Cross suggested that his experience in other states might be helpful in discussing the current proposal. He said that he worked in public higher education in Michigan for 14 years, in Minnesota for six years, and most recently in New York. The University of Michigan is similar to UW-Madison; it is a big, prestigious university that is important to the nation and the world. The University of Michigan is a constitutional university and represents in a sense a fourth branch of government; it has a great deal of independence, similar to that considered for UW-Madison. Some consequences of this are that legislators and others in Michigan do not believe that the university there always acts in the best interest of the state. There have been multiple calls for the creation of a statewide system. In practice, Michigan functions like a quasi-public university. Ironically, the business leaders of Michigan are now calling for the creation of a system to reduce duplication, increase collaboration, and engage the universities more directly in their problems. The University of Michigan does not feel obligated to help the state of Michigan, considering that to be the responsibility of Michigan State, which is the land grant institution, or one of the other state universities. Unlike in Michigan, UW-Madison serves as both the major research university and the land grant institution in this state. Chancellor Cross expressed concern that the separation of UW-Madison from the System could change the priorities of UW-Madison or distract it from serving the statewide needs of Wisconsin.

Second, the competition for funding in Michigan occurs in the political arena, not within a system that understands academia. There is no system in Michigan. Institutions with stronger legislators secure more funding. Public higher education funding should be based on outcomes related to public needs and goals, not according to which legislator serves on the appropriations committee.

Chancellor Cross quoted Governor Lucey as saying in 1971, "We don't need three citizen boards wrangling over higher education and a matching staff for each of them. But the big savings in merger is not the administrative cost, but the elimination of rivalry between the two systems and the educational trade-offs. We just can't afford any more of that foolishness." Chancellor Cross said that wrangling in the political, rather than the academic arena, consumes more energy and resources and is a distraction from higher education priorities.

In New York, which had 583 independent public authorities, often referred to as New York's secret government, there is a growing concern about their proliferation and lack of accountability to the state. In New York there is a movement to consolidate the number of

public authorities, and some have even called for a public authority to oversee the other public authorities.

Chancellor Cross said that he would suggest the creation of one public authority for one whole UW System. Such a governance structure would give all of the institutions the flexibility they seek, reduce duplication, eliminate some competition for scarce resources, change the venue for the competition, and provide the opportunity for each institution to excel at its unique mission, all while helping to meet the needs of all of the people of the state. Therefore, UW Colleges and Extension administrators have determined that they cannot support the separation of UW-Madison from the rest of the System, because it would not be in the best interest of the state.

Chancellor Harden, UW-Green Bay

UW-Green Bay Chancellor Tom Harden thanked President Pruitt, President Reilly, and members of the Board for the opportunity for discussion, which has been extremely helpful. Chancellor Harden said that he agreed with much of what Chancellor Martin said. The issue is really how flexibility can be achieved for all institutions. Deep cuts, no new tools, and tuition caps spell disaster. This is the most serious situation he has seen in his more than three decades in higher education, he said. There are no easy answers. The idea that people will leave and retire is real; it has happened at UW-Green Bay.

Relative to the options available, one is to do what the Governor is proposing, or to work together as a system to move the System forward to amend the bill and in some other way include the other institutions. The Governor is receptive to the idea of flexibility for universities. This opportunity must not be wasted. Chancellor Martin's case is compelling; he said he is strongly in favor of moving the System forward, but also does not want to do anything that prevents UW-Madison from achieving its goals.

Chancellor Harden said that while he was concerned that not having UW-Madison in the System would be a terrible blow and raises concerns about who will get the funding, he is not as worried as some about what will happen with the rest of the institutions. They are strong universities, and there are strong leadership and great academics in the System.

Chancellor Harden said that he has concluded that it would make sense to advance the goal of a public authority for UW System as a whole. This must be approached in a way that keeps the door open, even if institutions do not get all that they want.

It is difficult to make people on campus understand what flexibilities would mean. Chancellor Harden said that he came to UW-Green Bay after being the president of a university in Georgia for nine years; it was part of the University of Georgia System. In many ways, it was an institution that is similar to UW-Green Bay. At Clayton State University, his budget was less than the state allocation at UW-Green Bay, but he was able to do considerably more with that allocation. It is important to find success in gaining flexibility so that the institutions' educational missions will not be put in jeopardy.

Chancellor Van Galen, UW-River Falls

UW-River Falls Chancellor Dean Van Galen started by saying that there is deep concern at the UW-River Falls campus about the proposal being discussed; he would oppose the concept based on what has been seen so far.

There are many models of governance in higher education. A single governing model is valuable because of the single, coordinated vision for higher education; access for students; and the presence of UW-Madison results in synergies and efficiencies in the System. A single governing board promotes a reasoned allocation of resources, with decisions based less on politics and more on a rational analysis of what best serves the state. The current model results in good stewardship of public resources. President Reilly and Board members do care about every institution in the System; Regents have frequently visited River Falls. Collective ownership by a single governing board helps all institutions succeed.

Within the System there is a spirit of collaboration and support. Chancellors vigorously represent their campuses, but there is also a strong sense of wanting the greater good for the state of Wisconsin. Chancellor Van Galen said that he is concerned that over time public resources will be disproportionately lost from institutions other than UW-Madison.

Higher education is largely left to the states, and there are many different models of governance. Citing his experience at Western Florida, he said that in Florida, governance can be described as “an evolving mess.” Each of eleven public universities has a board; there is also a statewide coordinating board, which was sued by the legislature to contest the authority that it had. Wasted energy and a caste system were the results of the situation in Florida. Students who needed higher education the most attended universities that had the fewest resources to provide it.

It would be easy to say that UW-Madison should stay in the UW System; however, more must be accomplished in this legislative session. Flexibility for all is the path forward, especially in light of harsh budget cuts. Each institution should be allowed to pursue excellence in its own way, while keeping the benefits of a single system.

Chancellor Van Galen said that the stars seem to be aligning. The Board of Regents had asked for control of its own affairs for many years; the chancellors had called for flexibility for the System and at the campus level; and the Governor had demonstrated support for more flexibility and expressed interest in providing this beyond UW-Madison. Chancellor Martin provided outstanding leadership for months in supporting flexibility for all. Many legislators would be inclined to support this approach of broad flexibility. Pointing to a window of opportunity, Chancellor Van Galen said that flexibility should be one of the things that make it through that window. If the mantra these days is less government control, fewer regulations, and more innovation, that mantra should be applied to the state’s economic engine. It is time to get this done together, said Chancellor Van Galen, as he asked, “if not now, when? “

Chancellor Shields, UW-Platteville

UW-Platteville Chancellor Dennis Shields said that he is a Midwesterner and has had the opportunity to work at two flagship universities, one start-up free-standing law school, and a flagship college at the City University of New York. He said that he is an optimist, for six reasons.

Three reasons have to do with the System: (1) it is a very good System, not nearly as bureaucratic as he has seen in other places; (2) the state of Wisconsin has a long history of an excellent commitment to higher education; and (3) there are good people in the System.

The other three reasons have to do with UW-Platteville: (1) the faculty, staff, and students of UW-Platteville, who are remarkable people; (2) the legacy of excellence of past chancellors, faculty, and students; and (3) the people at UW-Platteville are working hard and still delivering, despite the challenges.

Among the challenges: morale is low, salaries are stagnant and trail those of peer institutions, and there are many infrastructure needs. Because of the failure to have a stable source of revenue from the state, it has been difficult to plan strategically to meet the challenges of providing a quality education to prepare students to enter the workforce.

Chancellor Shields said that what he sees at Platteville is the Tri-State Initiative; active efforts to grow revenue streams, growth in distance learning, and plans for a transformative capital campaign. A new paradigm to fund public higher education needs to be identified; it will not work to sit and wait for the state to provide more funding.

Regarding a separation of UW-Madison, Chancellor Shields expressed concern about setting up a system of competition in the political environment. This should be avoided. The paradigm needs to be changed to help identify new revenue streams; more flexibilities are needed; and UW System has much to offer in the form of steady leadership and accountability. The state needs to stabilize the level of support. UW-Platteville asks that it be given the tools to control its own destiny; with those tools, it will meet or exceed expectations.

Interim Chancellor Lovell, UW-Milwaukee

UW-Milwaukee Interim Chancellor Mike Lovell began his remarks by saying that UW-Milwaukee is the other research institution in the System, and is also the access institution. During the past decade, the institution has experienced tremendous growth, with record enrollment and record research. The Milwaukee Initiative happened with System support. UW-Milwaukee and UW-Madison have collaborated, having just announced a major research initiative. Chancellor Lovell said that his concern is with making sure that UW-Milwaukee continues on its current path, with the faculty and staff accomplishing great things. He posed a question about “what is broke” in the current environment. He said that all institutions wanted greater flexibility and accountability to achieve their unique goals.

The most important resource is the people on the campuses, and they cannot be offered proper compensation. To be a great System, with or without Madison, people must be compensated at or above their peers. Interim Chancellor Lovell said that UW-Milwaukee is between 19 and 29 percent below its peers in compensation. He gave two examples from the prior week of faculty considering leaving because of the current situation and because of concerns about being able to maintain graduate programs. Any scenario must provide resources to compensate faculty and staff.

There may be three scenarios for UW-Milwaukee: to go with UW-Madison immediately and share its board; to stay with the System and go along with 11 other institutions that do not have Ph.D. research; or to become its own public authority model. UW-Milwaukee does not have the endowment and research resources of a UW-Madison, and any of these models pose challenges and uncertainty. Changes must occur, however, to enable institutions to retain their employees.

Interim Chancellor Markwood, UW-Superior

UW-Superior Interim Chancellor Chris Markwood spoke of UW-Superior as providing an intimate experience for its students. UW-Superior has dealt with budget cuts, changes in student population, technology changes, accountability changes, and being expected to do more with less. UW-Superior is proud to be Wisconsin's liberal arts college, and is proud of the research that its faculty produces. UW-Superior has collaborations within Wisconsin and across the border in Minnesota. Faculty and staff come to Superior for the mission of UW-Superior.

Many have strong feelings about the System. He said he needed flexibilities to manage resources right now. He echoed the suggestion that current interest in flexibilities was an opportunity. He said, however, that UW-Superior may not be ready for all of the flexibilities immediately.

He posed the question, what should a 21st-century structure for higher education look like in this state. It is in the best interest for Superior, and perhaps also for the System, for the public authority model to apply to all of the institutions. Saying that he is not convinced that spinning off Madison is the best scenario, Chancellor Markwood said that he is also not convinced that this would cause irreparable harm to UW-Superior, provided there would be a commitment and a path for the same flexibilities for UW-Superior in the future. UW-Superior's faculty, staff, and students will be interested in examining the details of this unfolding plan. He said that he hoped this would be seen as an opportunity for all, although it may need to be a stepped process.

Final Discussion

Regent Loftus asked for further information about UW-Milwaukee's ability to function under the scenario being discussed. The family income for UW-Madison is significantly higher; and the Milwaukee delegation in the legislature has a long list of problems. Chancellor Lovell said that there is concern about being left behind; without the resources that Madison has, much discussion would be needed about how UW-Milwaukee could be successful.

Regent Crain expressed her appreciation for all of the chancellors' presentations. She also asked what would happen next. President Pruitt invited President Reilly to address this question. Thanking all speakers, he said that it is clear that all are saying that the status quo is not acceptable. Also, there is not a clear path forward to getting more flexibility. President Reilly suggested additional forums on these issues could be helpful. The current plan is to take a close look at the Governor's budget bill to see if it might be amended to include a public authority-type model for all institutions. If that is not possible, other ways of getting flexibilities delegated need to be sought in the legislature. On the issue of whether UW-Madison should be separate, and of how to get flexibilities, more discussion is needed.

President Pruitt mentioned that the Board would meet again in two weeks, and the conversation could be continued then.

Regent Drew said that he was pessimistic. Public policy is starving public higher education and K-12 education. He foresaw a future of faculty leaving and difficulty attracting faculty. President Reilly said that more flexibilities would help; one aspect is a block-grant approach, which would help with decision-making on campuses.

Regent Danae Davis expressed appreciation for the day's discussion and said that doing local listening and messaging could allow the Board to talk about what it is for, rather than only what it is against. More specificity would be helpful. The February 15th explanation of desired flexibilities was very helpful for campus constituencies and could be further developed.

Regent Loftus suggested that going around the state to have meetings that would be restricted to the current topic is unrealistic. Collective bargaining, lack of pay increases, threats to student voting, and other issues would likely take precedence for many around the state.

Regent Walsh responded to Regent Drew, saying that the proposal for Madison is about money. The flexibilities do not amount to much money; it is really all about money from other sources. The Board members are Regents for the whole state, and is important to hear from people around the state. It is important to be creative about the money, to go to the legislature and talk about a formula or compact.

Regent Vásquez, agreeing that forums would be useful, said that the community should be invited to talk about the university. This would be an opportunity both for Regents and others in the state to hear about the university, without restriction only to the separation topic.

Regent Evers said it would be helpful to talk about what flexibility meant and its significance – i.e., what proportion of the budget problem this would address. Chancellor Wells said that the amount of savings would not meet budget cuts, but leaders would be able to use funds in creative ways to maximize a strategic financial plan.

Regent Crain expressed concern about timing and said work needs to occur quickly. President Pruitt pledged vigilance in going forward adroitly and nimbly once the budget is released on the Tuesday following the current meeting. In closing, President Pruitt thanked all who were a part of the meeting, including all chancellors; he said that the University of

Wisconsin System is the finest public university system in the nation, with the finest leaders in America.

- - -

The meeting was adjourned at approximately 3:30 p.m.

- - -

Submitted by:

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