

MINUTES OF THE REGULAR MEETING
of the
BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in 1820 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin

Thursday, August 23, 2012
9:00 a.m.

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- President Smith presiding -

PRESENT: Regents Jeffrey Bartell, John Behling, Mark Bradley, John Drew, Tony Evers, Michael Falbo, Tim Higgins, Tracy Hribar, Ed Manydeeds, Regina Millner, Katherine Pointer, Charles Pruitt, Gary Roberts, Brent Smith, Mark Tyler, José Vásquez, David Walsh and Gerald Whitburn

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PRESIDENTS' GREETING

President Smith welcomed all to the meeting and indicated that the lead item on the agenda was the UW System's 2013-15 biennial budget request. He said that before starting the discussion, he wanted to acknowledge a visitor and extend a welcome to Michael Brickman, the Education Policy Advisor for Governor Walker.

President Smith also mentioned some recent developments, such as the use of assigned seats for Regents for the first time, in response to a suggestion by a Regent; new Regent "buddy" institutions; the assignment of members to the Special Regent Committees for chancellor searches at UW-Eau Claire and UW-Madison; and the Board's first opportunity to test the operation of the "two and two" committee structure, with the addition of the Research, Economic Development, and Innovation Committee as a stand-alone committee.

President Reilly welcomed David Brukart, the new Associate Vice President for Economic Development, a new position intended to reflect the UW System's increased strategic focus on strengthening relationships with businesses statewide and helping to drive statewide economic growth. He said that Associate Vice President Brukart would work in close collaboration with the Wisconsin Economic Development Corporation (WEDC), which is jointly funding the position. He also introduced WEDC's Chief Operating Officer, Ryan Murray, and invited him to say a few words.

Mr. Murray thanked President Reilly for welcoming him, and briefly addressed the Regents. He said that building greater awareness and dialogue about connectivity of economic development in the university would be the key to Associate Vice President Brukardt's role, and that the top priority for the relationship between the UW System and WEDC is starting new businesses. He pledged WEDC's commitment and said he was looking forward to working together.

President Reilly thanked Mr. Murray again, and expressed his appreciation for the partnership with WEDC. He also welcomed and provided some biographical information on Heidi McPherson, the new Provost at UW-La Crosse and Gilles Bousquet, Interim Chancellor at UW-Eau Claire. In addition, he introduced Aaron Brower, the newly-appointed Interim Provost and Vice Chancellor at UW Extension.

2013-15 BIENNIAL OPERATING BUDGET

President Smith also extended a welcome to new UW System colleagues and introduced the first item of business. He said that at the June meeting, the Board discussed the state requirement that the UW System submit its budget request in September, to provide the Governor and his staff with time to incorporate the UW System's ideas into the biennial budget, which is typically announced in February. He thanked his fellow Regents for their high level of interest and engagement in the budget over the past several months.

President Smith stated that the UW System was in the first phase of its efforts to advocate for the university in the upcoming budget process, and would look toward convincing the Governor and legislators that the UW can serve as an economic engine for all of Wisconsin. He then described the timeline for submitting UW System's operating and capital budget requests to the state Department of Administration (DOA); the development of the operating budget by the Governor and the development of the capital budget by the State Building Commission; subsequent reviews and deliberations by the Legislature's Joint Committee on Finance, the State Assembly, and the State Senate; and final approval by the Governor in the spring of 2013. He turned to President Reilly to introduce the budget presentation.

Budget Overview

President Reilly thanked Regent President Smith and the members of the Board for their engagement in the budget process, as it was helpful to UW System staff in shaping the budget request. He joked that formulating a budget will never make someone's "bucket list" of things they most want to do, as it is time consuming and stressful. He noted that while some things have not changed, this year's budget experience includes some welcomed differences. He specifically referred to the new operational flexibilities granted by the Governor and the legislature, which provided block grants; the lack of a budget-lapse exercise and planning for large budget cuts; and the Governor's recognition of the need to fund inflationary costs, such as health insurance premiums for employees and utilities for classrooms and labs.

President Reilly said that in a global knowledge economy the University of Wisconsin is in a terrific position to play a significant role in helping to power the state's economic recovery. He said that asking the state to reinvest in the University of Wisconsin is investing in Wisconsin. The university is educating the workforce and preparing students to be productive, successful citizens and members of their communities. He also noted that the university is leveraging knowledge, research, and innovative thinking to create new businesses and strengthen existing industries, helping to create jobs, and preparing people to fill those jobs. He said that in a knowledge economy, the UW helps power Wisconsin.

President Reilly remarked that the last several years had been spent trying to manage one of the worst recessions in a very long time, and it had been a serious challenge. However, it now appears that economic indicators are starting to show signs of recovery, and the UW System's budget considerations reflect that.

President Reilly said the budget proposal the Regents were being asked to approve for submission to the state included a request for \$21 million in state support and tuition over the 2013-15 biennium to focus on a flexible degree program, as well as quality, access, and workforce and economic development initiatives by UW institutions. He also said that the UW System would submit its budget request in September, without knowing what the state coffers would look like or how much revenue would be available until early 2013. Based on conversations with the Governor's office and recent economic indicators, \$21 million was determined to be a reasonable "ask" for the UW to play its part in powering Wisconsin's economic recovery. He said that in order for this to happen, resources would be needed to attract and retain high-quality faculty and staff members who are responsible for nurturing Wisconsin's educated citizenry and developing the workforce of tomorrow, and who provide direct support to Wisconsin businesses and engage in world-class scientific research.

President Reilly noted that UW faculty and staff are often recruited from a national market, and top-quality educators and other personnel can often choose where to live and work. He said that to attract and retain these individuals, UW institutions must be in the position to offer a competitive compensation package. However, faculty salaries at UW System institutions have fallen more than 18% below the national peer averages, and this large salary gap is the greatest threat to quality for UW System institutions. President Reilly shared information regarding recent faculty losses at UW-Stout and UW-Milwaukee, and noted that every chancellor in the System has stories to tell about retention challenges at their institutions. He said that none of what the UW System does is possible without the continued outstanding work and commitment of the UW faculty and staff. Advocating for a strong pay plan in the months ahead should be the UW System's priority for the biennium.

President Reilly concluded by noting that the issue of tuition was not part of the current discussion, but would be considered next summer when the UW System's annual operating budget is before the Board. He then asked Senior Vice President Michael Morgan and his team to guide the Regents through the particulars of the budget request.

Economic Context and University's Role

Senior Vice President Morgan thanked President Reilly and Regent President Smith, and indicated that his presentation on UW System's 2013-15 biennial budget request would include several parts and speakers. He said he would start by discussing the context for the budget in terms of the current economic situation, which would be followed by presentations from faculty at two UW institutions regarding their economic development work. He indicated that the next portions of the presentation would focus on the new flexible degree initiative and how that fits into the biennial budget request, followed by a review of statutory requests and other standard budget items to be included in the UW System's budget proposal. The presentation would conclude with Associate Vice President David Miller addressing the proposed capital budget request.

Senior Vice President Morgan discussed the changes surrounding the current year's biennial budget process. He noted that the economic climate had dramatically changed in the past two years, and the fiscal condition and future outlook for the state are much better. He said that compared to the prior biennia, the start of the 2013-15 budget process provides a far more positive outlook for UW students, families, employees, and Wisconsin in general.

Summarizing some of the economic indicators, Senior Vice President Morgan noted that Wisconsin's unemployment rate had decreased in comparison to the rate from two years before, and the number of people working continued to grow at a good rate. He indicated that through May 2012, state revenues were 4 percent higher than in the previous fiscal year, and the leading economic indicators reported by the Department of Workforce Development were 21 percent higher than last year.

Senior Vice President Morgan explained that while the UW System's 2013-15 budget request is driven by the needs of the UW institutions, these economic factors are taken into consideration. He indicated that the UW System's request would focus on efforts to strengthen the workforce and spur job creation statewide, with the understanding that knowledge-based industries and jobs are the foundation of a strong economy. He said the UW System plays a central role in driving Wisconsin toward an even brighter economic future, and if knowledge powers the economy, then UW provides the fuel that drives Wisconsin forward.

Mr. Morgan indicated that others also connect the university's role to the economic health of the state, and following the biennial budget discussion the Board would review the UW System's annual accountability report, a report that the System has been publishing for 19 years. He noted that almost half of the new performance measures identified by the legislature in Act 32 were designed to gauge the UW's efforts to reinforce Wisconsin's economy.

Senior Vice President Morgan stated that the budget proposal before the Regents included a \$21-million investment over two years to support new initiatives, including \$18 million to support enhanced quality, access, and economic development at UW institutions and an initial investment of \$3 million for the development of the new flexible degree initiative. He said that the investments would be deployed by UW System institutions to drive specific efforts

tioned to concrete performance measures, many of which were included in Appendix A of the Regents' budget documents.

Sharing some examples of the performance goals included in the budget request, Mr. Morgan noted that UW-River Falls would focus on increasing freshman-to-sophomore retention, as getting more students to return for their second year is one of the best indicators of long-term success and graduation. He added that since the fall of 2007, UW-River Falls had increased its first-to-second year retention rate from 73.5% to over 76% and would continue to build on that effort.

UW-Milwaukee would concentrate on increasing its number of graduates, providing more Wisconsin citizens with the knowledge and skills needed to compete in the 21st-century job market. He noted that UW-Milwaukee conferred about 2,700 bachelor's degrees in 2000-2001 and about 3,500 degrees ten years later, an increase of 834 degrees, or 31 percent. During the same time period, degrees conferred at UWM in STEM areas increased more than 300, or by 38 percent.

Senior Vice President Morgan stated that UW-Stout would increase the number of business clients that it serves and assists, thereby fostering an economy that helps these firms grow and ultimately adding jobs. Noting that students would benefit by gaining work experience which helps them when competing for employment after graduation, he pointed out that in recent years the institution's job placement rate for graduates who responded to the Career Service Office's questions averaged approximately 97 percent. He noted that up to 98 percent find jobs within a year after graduating, and 76 percent of those graduates are employed in positions related to their major. He noted these were just a few examples of programs designed to benefit the students at UW institutions and the state of Wisconsin.

Speaking about economic development, Mr. Morgan noted that Appendix B in the Regents' budget materials included a rich compendium of things the UW institutions are doing to support the economy. For example, he noted that the Wisconsin Institute for Sustainable Technology, or WIST, at UW-Stevens Point was founded in 2009 to create a fresh approach to meeting environmental and economic challenges. He said that the technology and ideas developed by WIST and its partners would spur economic growth in Wisconsin and the region by also helping to protect a healthy environment for future generations. He provided an example of WIST's efforts to develop a pilot bio-refinery to produce both bio-fuels from renewable resources such as wood, waste, and switch grass and other bio-products that would replace petroleum-based chemicals.

Senior Vice President Morgan referred to another outstanding program, UW-Stout's Discovery Center. He said that since 1994, the Center had completed more than 5,000 technical assistance activities with more than 2,700 companies around the state, in areas such as business and product development, technology development and process system implementation. He noted that the work in these areas resulted in client-reported impacts of more than \$450 million, resulted in the creation or retention of more than 300 jobs, and generated more than \$23 million in cost savings and increased sales.

He also pointed out that by offering experiential opportunities UW institutions were taking the lead in providing critical workforce development. He noted that UW-Whitewater students were involved in almost 2,800 internships in 2011, ensuring that graduates entered the workforce with the job skills they need to succeed.

Senior Vice President Morgan said that at future meetings, more information would be provided regarding the kinds of initiatives that the UW System would be pursuing and funding in the next 2013-15 biennium budget.

He then asked two faculty members and one business person to join the Regents and present information regarding their economic development initiatives at UW-Parkside and UW-Stevens Point. He introduced Dr. Chris Hartleb, co-director of the Northern Aquaculture Demonstration Facility at UW-Stevens Point, Dr. Suresh Chalasani, Associate Professor of Management Information Systems at UW-Parkside, and Aaron Protroski, Strategic Development Manager at Ictect and a UW-Parkside graduate.

Northern Aquaculture Demonstration Facility, UW-Stevens Point

Dr. Hartleb expressed his thanks for being invited to speak about the Northern Aquaculture Demonstration Facility (NADF), which is a field station of UW-Stevens Point (UWSP) located on the Bayfield Peninsula. He pointed out that the land is owned by the Red Cliff Band of Lake Superior Chippewa, and university staff work with them and other groups in the field of aquaculture, which is the science behind fish farming.

Dr. Hartleb explained that the mission of the NADF is to promote technology transfer; applied research; and demonstration, education, and outreach to a sustainable aquaculture industry. He provided some examples of current projects that are positively affecting the aquaculture industry in Wisconsin:

- Allen Brandt, a UW-Stevens Point student, is working on a project that is literally developing a roadmap to the aquaculture industry, using geographic information systems to map locations of fish farms in Wisconsin and identify features or characteristics associated with their success. Several counties are interested in the preliminary data and considering zoning changes to promote aquaculture in their area.
- NADF is collaborating with Northside Enterprises in Black Creek, Wisconsin, to develop a new variety of walleye, a popular fish in Wisconsin and the upper Midwest, at a faster rate. The company has received a grant to help with commercializing the process, and the NADF has received over 100 requests for the fish.
- Amanda Prussing, a UWSP student, just finished a four year project investigating the use of fertilizer to enhance the food chain of yellow perch, traditionally considered a favorite of fish fries, leading to better growth and survival rates for fish.

Dr. Hartleb provided several other examples related to studying the diets of fish, free online courses on fish health for fish farmers, and other outreach services to fish farms designed to create and save aquaculture jobs. He also mentioned NADF's newest program involving

aquaponics, which is the process of growing fish and vegetable crops together in the same system, and the development of educational programs related to this emerging field.

Regent Higgins asked Dr. Hartleb about the customer base of the 2,600 fish farms in Wisconsin, and whether it was regional or statewide. Dr. Hartleb explained that the businesses include both small, family-run businesses, as well as larger, commercial-scale businesses. He noted that most of the commercial-sized businesses are located in areas of the state that are in close proximity to big cities, near Madison, Milwaukee or Chicago, or on the western side of the state. The smaller businesses essentially sell to local communities and at farmers markets.

Management Information Systems, UW-Parkside

Next to speak were Dr. Suresh Chalasani, Associate Professor of Management Information Systems at UW-Parkside, and Mr. Aaron Petroski, Strategic Development Manager for Ictect, Inc. Dr. Chalasani stated that under the leadership of Chancellor Ford and Provost Brown, there had been a number of positive accomplishments at UW-Parkside in the past few years. He highlighted a few of the recent accomplishments of the College of Business. Dr. Chalasani explained that in fiscal 2011-12, UW-Parkside's Small Business Development Center worked with 214 clients, helped start new businesses, and was instrumental in infusing \$3.7 million into the local economy. In addition, the Solutions for Economic Growth Center brought 84 projects from local organizations to the classroom, and provided 333 students with valuable hands-on work experience before they graduated.

Dr. Chalasani noted that in 2011, UW-Parkside was awarded two grants from the WiSys Technology Foundation, Inc. under the Wisconsin Small Company Advancement Program. One of the grants was for a collaborative effort involving UW-Parkside and Ictect, Inc., for the Intelligent Content Innovation Program, the goal of which is to promote content innovation in organizations to solve business content problems. As part of this program, Ictect and UW-Parkside will offer technical assistance and resources to participating organizations. He then introduced Mr. Aaron Petroski to present information regarding the partnership between UW-Parkside and Ictect.

Mr. Petroski proceeded to show a brief demonstration to illustrate the technology that Ictect and UW-Parkside are using for their project. He explained that the project involves applying "tags" to internet content that communicates the author's intent. Following his presentation, Regent Bradley asked him who applies the tags that he referred to. Mr. Petroski explained that to apply the tags, his staff must work with the author of the material to determine the author's intent, and then develop a map or scheme that is put into Microsoft Word. Following Mr. Petroski's demonstration, President Smith thanked the presenters.

Senior Vice President Morgan returned to the podium and stated that the investment the UW System receives from the state is well spent and produces exciting opportunities for economic development, job growth, and business growth in the state. He indicated that the 2013-15 biennial budget includes a modest investment of \$3 million for the initial development of the new Flexible Degree Program. He indicated that President Reilly would provide some initial information regarding the Flexible Degree Program initiative.

Flexible Degree

President Reilly stated that he thought that everyone recognized that the state's economic future demands that the UW System deploy a skilled, adaptable workforce to meet the needs of rapidly evolving businesses and industries in Wisconsin. He said that the economy is changing, and there are also important changes in the way people learn. He noted that there is a lot of "swirl" in higher education these days, where students move in and out of college, attending different institutions at different times throughout their careers as students and as professionals. He said that students enroll at multiple institutions at various times, sometimes at the same time, as a way to acquire the necessary skills for a job opportunity.

To respond to this swirl and other changes that are reshaping American higher education, public colleges and universities must adapt. President Reilly estimated that there are between 750,000 and 1 million Wisconsin citizens who have some college credit but no college credential, and 17,000 of these citizens are currently enrolled in high-tuition, for-profit colleges in pursuit of a credential. He noted that if all of those 17,000 students were enrolled in one of the UW institutions, it would be the third-largest institution in the UW System.

President Reilly indicated that there is clearly demand from the citizens, many of whom are hardworking individuals, heading households and paying taxes that support the UW for educational opportunities that have not been widely available to them in the past. He said that the UW System recognizes that a working adult student has needs and life experiences that the traditional 18-year-old student does not. He also said that he was fully confident that the University of Wisconsin was smart enough to design a quality educational experience for working adults, using all the new learning technologies and assessments available. He said he was equally convinced that Wisconsin's world renowned public university has a mission-driven, moral obligation to do so. He explained that the intent of the new Flexible Degree Program was to provide new pathways for working adults and other nontraditional students by recognizing learning and competencies gained both in and outside the traditional classroom setting.

President Reilly thanked Chancellor Ray Cross and Dean David Schejbal of UW-Extension for leading the way in determining how the UW System can address this important challenge, and recognized all of the hard work they have already contributed to this initiative.

President Reilly stated that a team of faculty leaders interested in developing new ways to assess learning outcomes was being assembled, and each degree-granting UW institution would have representation on the work group. He also noted that in the near future he, Chancellor Cross, and Senior Vice President Nook would be meeting with faculty shared governance representatives to engage them in discussions about their leadership role in this effort.

President Reilly said that it was important to remember that faculty are the creators of academic excellence at every UW institution, and they would be at the center of this transformative effort. He said faculty would need to build and own the Flexible Degree Program, which was the intent from the beginning. He said that by working together, the program could be developed in an exciting, high-quality way, with academic integrity that will serve students well, and position the UW as a national leader.

President Reilly pointed out that many of the facets of this program were already in place around the UW System, including work related to prior learning assessments, online course delivery, mixed-media delivery, challenge exams, definition of learning outcomes, portfolio assessments, and the delivery of courses in formats other than the standard 15-week semester. He said that in each of these examples, faculty members have led those innovations. He noted that this new program was different in that it would provide the opportunity to “connect all the dots” and earn a degree. He said that if done correctly, the flexible degree model could be the 21st-century face of the Wisconsin Idea.

President Reilly introduced two colleagues who were invited to talk about the Flexible Degree Program with the Board. He reintroduced Dr. Aaron Brower, the newly-appointed Interim Provost and Vice Chancellor for UW-Extension. He explained that Dr. Brower was currently the Vice Provost for Teaching and Learning at UW-Madison, where he was also a professor in the School of Social Work and Integrated Liberal Studies and in Educational Leadership and Policy Analysis.

Dr. Brower was the recipient of the UW-Madison Chancellor’s Award for Distinguished Teaching in 2001, and an internationally recognized scholar on student success and educational innovations. President Reilly announced that for the next two years Dr. Brower would serve as his Special Assistant for New Educational Strategies, providing key leadership for the flexible degree initiative and working with all of the institutions. He said that Dr. Brower’s experience at UW-Madison had prepared him well for this dual role. He noted that Dr. Brower had provided strong leadership for many teaching and learning initiatives and efforts focused on evidence-based curricular reform at UW-Madison, with an emphasis on student retention, learning outcomes, and high-impact practices, and had most recently played a key role in the educational innovations effort launched by Chancellor David Ward.

President Reilly also introduced Dr. John Koker, Dean of the College of Letters and Sciences at UW-Oshkosh since 2006. He said that Dr. Koker, a professor of mathematics, had been a member of the UW-Oshkosh faculty since 1991 and served two terms as the Department Chair. He noted that Dr. Koker had been honored with teaching and professional awards both from UW-Oshkosh and at the UW System level, receiving the Board of Regents Teaching Excellence Award in 2006. President Reilly said that Dr. Koker had served as Chair of the Executive Committee for the UW System Office of Professional and Instructional Development, and is a member of the System Advisory Group on the Liberal Arts. In addition, he chaired the committee that developed the UW System shared learning goals, which describe what a student who earns a baccalaureate degree at any UW institution should know and be able to do in the 21st century global knowledge society.

President Reilly then asked Dr. Brower and then Dr. Koker to lead the next segment of the presentation.

Development of Flexible Degree

Dr. Brower thanked President Reilly for the introduction and thanked Chancellor Cross for having confidence in him to help lead the Flexible Degree Program. He expressed his belief in the program and said he saw it as the future of higher education. He said that in a Google

world, in which students have virtually the same information as instructors, a flexible degree is the future. He said the degree would be widely accessible, personalized for students based on what they know and what they can do, and make the best use of technology and the face-to-face interactions that cannot be replicated with technology.

Dr. Brower said that in order to stay relevant in the future of higher education the program must be done right. He said that as a faculty member in the higher education field for more than 25 years, he had studied and developed programs aimed at increasing student success and student learning. He said he viewed the key of the Flexible Degree Program as the competency-based learning and the competency-based assessment, as they follow best practices in higher education and then open the door to a new kind of degree that will change the face of higher education.

Dr. Brower indicated that one of the best practices that the program starts with is identifying what students need to know and what they need to do. He said he was excited to help create this uniquely UW program, grounded in the Wisconsin Idea and grounded in the UW shared learning goals.

He noted that the Wisconsin Idea is based on partnering with communities and local businesses, which is what these degrees would need to do, and reaching out across the state, the nation, and the world to make the world a better place. Reiterating what President Reilly had said, he commented that the Flexible Degree could be the Wisconsin Idea into the next 100 years.

Dr. Brower said that the Flexible Degree Program needs to be about quality and value, and must be distinguished from the programs at Western Governor's University and the University of Phoenix. He said that if the UW program is not distinguished from the others, the programs will be compared based on cost, and the UW System will lose because those other programs will always be cheaper.

Dr. Brower said that he viewed the Flexible Degree Program as a portfolio program, based on competencies with flexibility to achieve these competencies. He noted that helping students to be successful in this program would mean that the role of advising would become critical and "high touch" or "intrusive" advising would need to be a model built into the program. He added that the programs could look very different at UW-Parkside, Superior, Milwaukee, and Green Bay due to the portfolio component of the program. He said the program would succeed if it becomes part of each campus by helping each campus achieve its goals and becomes fully embedded in the shared governance process that is treasured within the System.

Dr. Brower stated that there had already been developments at UW-Parkside and UW-Superior regarding the Flexible Degree Program, and a lot can be learned from the experiences of these campuses. He asked the faculty and other colleagues across the System to contact him if they have programs that fit the Flexible Degree Program model. He concluded by saying that he looked forward to working with the Regents, President Reilly, Chancellor Cross, and colleagues across the System, particularly the provosts, shared governance groups, and the UW System Advisory Group on the Liberal Arts, to help create a Flexible Degree Program that will become a

model for the nation. President Reilly thanked Dr. Brower for his presentation, and asked Dr. Koker to say a few words.

Relationship to Teaching and Learning

Dr. Koker stated that he was at a Regents meeting six years earlier to receive a Regents award, and after being honored and humbled by Regent Vásquez's remarks, he talked about the success of his students and the ingredients of success. He explained that the ingredients were opportunities, hard work, being stuck, more hard work, and a bit of luck. He said that his job as a teacher is to provide opportunity and to expect hard work. He said he believes the Flexible Degree Program offers a new innovative alternative road to success by providing more people with an opportunity.

Dr. Koker said that the UW System needs to provide this opportunity to the citizens of the state, but also needs to expect hard work from those who enroll in the program. He said that when he first heard the announcement for the program, the image that came to mind was the commercials for quick weight loss schemes, programs with little effort but great results. He said that everyone knows that those programs are too good to be true, and so the UW System has to present the Flexible Degree Program with truth in advertising -- students can expect great results, but the UW System will expect hard work from those enrolled.

Dr. Koker explained that success for the UW System will be to develop a high-quality program, grounded in the UW System shared learning outcomes, which will graduate students who will have successful careers, but who also will have a commitment to professional growth, new challenges, and life-long learning. He said the danger would be to graduate students who did not have the means to success.

Dr. Koker said that the hard work of the UW System starts with motivating and exciting faculty to develop this program. As with any academic program, the faculty needs to own the program and offer the program. He said that he and other leaders of the UW System would need to find ways to support faculty as they worked to develop and explore innovative course offerings, curricula, and partnerships across the state. He said that the UW System needs to explore new high-impact practices that offer students rich and exciting programs through apprenticeships, co-ops, and internships through a program that encourages and respects prior learning assessment and relevant life experience.

Dr. Koker said that like him, faculty across the System have a passion for teaching and learning, and work extremely hard to provide the best possible experience for their students. He indicated that System leaders would need to support the faculty as the Flexible Degree program is added to the UW System offerings. He stated that while many of the UW System faculty are committed to the Wisconsin Idea, they need to know that the Flexible Degree program will not only prepare students for careers, but also prepare them to be responsible citizens who understand and contribute to a changing world in which they live. He added that in addition to relevant career skills, the degree must expose students to a broad spectrum of knowledge about the human experience and the natural world; enhance their communication, problem solving, and critical thinking skills; and assist them in developing a life-long commitment to inquiry.

After thanking Dr. Koker for his presentation, President Reilly welcomed and introduced John Reinemann, the Secretary of the Higher Education Aids Board, who was in the audience.

Board Discussion

President Smith asked if there were any questions or comments for Dr. Brower or Dr. Koker regarding the Flexible Degree Program. Regent Higgins commented that Dean Koker had highlighted the difference between vocational degrees and bachelor's degrees, which had additional components described by Dr. Koker as good citizenship, commitment to life-long learning, etc. Regent Higgins asked how one would develop competency tests for those kinds of qualities for a person who is 35 years old, with three children, and who is trying to work on her degree while being involved in many other things.

Dr. Koker said that Regent Higgins' question was a good one, and one for which he did not have an immediate answer. He explained that many of the additional components he referred to are intangibles that are expected as part of a baccalaureate experience, some of which are not measured by traditional programs or are difficult to measure, but are the result of undergraduate experiences both inside and outside the classroom. He said the experiences are created through a process of a student's interacting with faculty, being on campus, interacting with classmates, and being involved in extracurricular activities. He said it would be a challenge to develop a program in such a way that students do not lose those types of experiences. He noted that one idea might be to partner with the private sector to provide student placements with nonprofit organizations, community organizations, or businesses, to provide students with interactions that would lead to growth in those intangible areas.

Dr. Brower added that there were many smart people in higher education trying to determine how to articulate and measure these higher-order thinking skills. He said that rubric-based approaches, such as interviewing people to determine what they gained from an experience and then scoring that experience, had shown promise. He said that he was excited about the opportunity to develop broad competency-based assessments, such as interviews or observations of structured activities that could be evaluated, rather than using a multiple-choice test to validate competencies.

Regent Bartell recalled that Dr. Koker indicated that an essential element of the Flexible Degree Program would be the investment by faculty. He asked how the presenters intended to get UW System faculty engaged in the Flexible Degree Program, what obstacles they anticipated, and how they planned to overcome those obstacles.

Dr. Koker acknowledged the challenge of engaging faculty. He said that he and many of his colleagues entered the teaching profession because of positive experiences they had with faculty as undergraduates, because they have a passion for their discipline, and because they want to be on the other end of that relationship and create opportunities and success for students. He said it would be important for the program to include opportunities for faculty to creatively work and connect with students which would help in convincing faculty to engage with the program.

Regent Bartell agreed with Dr. Koker and asked if the plan was to engage in a marketing campaign with faculty. Dr. Koker said that UW-Oshkosh recently engaged in a major overhaul of its general education curriculum. He said that it took a couple of years for faculty to get excited about the changes and create new opportunities for students, but it happened because there was a grassroots movement.

Dr. Brower said they would use a “working into the curve” strategy. He explained that there is a bell curve of all faculty, staff, administrators and students in the System, some of whom are already excited about the Flexible Degree Program and others who are not. He said that they would start with the side of the bell curve that includes those who are already very interested, have them champion the program at different institutions, and gradually work their way into the rest of the bell curve. He said that there would be many discussions, travelling, and a need for face time, as well as a need for trial and error. He said it was necessary to get things moving right away, and at UW-Parkside and UW-Superior, they were already having discussions about specific program development. He said that in addition to needing a marketing campaign, a development campaign was also needed, with strategic goals for this year and beyond.

President Reilly added that one of the things that had excited faculty in recent years was the question of learning outcomes, and how one determines what students are actually learning. He said that in nearly every discipline, that question was being asked, and during accreditation processes the issue must also be addressed. He said that the Flexible Degree Program was an opportunity to better define the learning outcomes of various disciplines, and then determine how to assess those competencies, consistent with what faculty had been trying to do in traditional classrooms in recent years. He said that he hoped that many faculty would see this program as a way to ramp up the good work they had done to define learning outcomes for their departments and disciplines.

Regent Bradley encouraged Dr. Koker and Dr. Brower to communicate with a sense of urgency. He noted that while some people might want to debate whether this program should be developed, the message should be that the program will be developed. The Governor wants it done, the Regents want it done, and the System President wants it done. He also noted that because the UW System’s competitors are going to develop similar programs, the UW System had to figure out how to develop the best program and get it to market.

Regent Drew said that he was excited about the initiative in part because he was the product of a flexible degree program. He said he was also excited because the UW System had a real chance to be a leader in providing a high-quality flexible degree, but it was necessary for the UW System to develop the program quickly and to do so in the right way, with faculty involvement and input. Regent Drew also commended Chancellor Cross for his leadership on this issue.

Regent Pruitt noted that Dr. Brower had mentioned Western Governor’s University and the University of Phoenix, and he believed that market differentiation would be a particularly important component as the Flexible Degree Program moves forward. He asked if Dr. Brower or Dr. Koker could comment on what they see as the key differentiating factors that will accelerate this program as a model that would be particularly effective in the state of Wisconsin.

Dr. Brower identified two factors or principles: (1) grounding the program in the Wisconsin Idea and partnering with communities and businesses to develop degrees that are of value to communities and businesses; and (2) grounding the program in the UW System's shared learning outcomes. He said that in technical fields, information is changing so quickly that if competencies are based on content only they will quickly become outdated, which is why reliance on the shared learning outcomes is going to be important. He noted that the aquaculture program at UW-Stevens Point, which was highlighted earlier in the meeting, might be an opportunity for a flex degree for UW-Stevens Point, as it would further what it was already doing, be a unique niche for the campus, and provide a different kind of value to students that they would not get at Western Governor's or the University of Phoenix.

Regent Hribar said that as the nontraditional student-Regent, she was extremely excited to voice her support for the program. She said that there were many of her contemporaries in the state -- hardworking taxpayers and volunteers -- who need this program. She provided an example of a woman she knows who had recently lost her job; she was an active volunteer who worked as a warehouse manager for the past 25 years, with some college credits but no degree. Regent Hribar said that it was going to be very difficult for this woman, because of the current economy, to find a new position at a similar wage, without a bachelor's degree. She also said that she personally could have returned to school ten years earlier if a similar program had been available.

Regent Hribar said it was crucial to keep the UW degree meaningful and to keep it up to the UW System's high standards. She said that when she returned to school, she was extremely impressed with the faculty she encountered at UW-Parkside. As a small business owner, she spent twenty years teaching herself anything she needed to know, and it was a treat to have faculty actually show her how to do something. She said she could understand how these very faculty have concerns about the Flexible Degree Program because if it is not a success, and if it is not done right, it would reflect poorly on them and the UW System if graduates lack the necessary skills or ability to think.

Regent Hribar noted that Dr. Koker mentioned hard work. She said that adults who return to school know how to work. They work third-shift factory jobs and do their homework on their breaks. She said that she and others who have returned to school know how to work and love to learn.

Regent Hribar said that as small-business owners, she and her husband had done everything themselves to save money, but one thing they learned early on was when to call in the experts. She said that for the Flexible Degree Program, the faculty are the experts, and the Board of Regents and the administration need to rely on them to successfully implement the program. She said that if it is done right, it will be a program that will serve the needs of many Wisconsin residents, taxpayers, and local community volunteers, and the entire state can be proud of it.

Regent Vásquez said that he, like other Regents, wanted to support Dr. Brower and Dr. Koker in their efforts. He asked them what they planned to do differently relative to students of color and students with disabilities or other impairments to help them be successful. He said his fear was that many of these students have already experienced failure at the UW campuses with

the existing UW faculty, and if they experience failure a second time, they will not attempt a third time. He questioned how the same faculty, now involved in the Flexible Degree Program, would better serve these students.

Dr. Brower explained that the potential for the Flexible Degree Program is that it is fundamentally different from other programs and is based on best practices. He said that one of the best practices is the use of competency-based outcomes, as research indicates programs that use competency-based outcomes provide better success for students considered at-risk. He said another best practice that would be incorporated was “high-touch” advising, which is generally a part of programs that are most successful at serving at-risk students of color and first generation students.

Referring again to the bell curve of faculty and staff within the UW System, Dr. Brower said that not everyone in the UW System has to be a part of the Flexible Degree Program. He said that the program should be built in ways that make sense for each institution and within specific programs in an institution where it makes sense. He said that the need to engage faculty would be important, and the faculty who become engaged are the faculty they want involved in the program.

In response to Regent Vásquez’s question, President Reilly said that increasingly many students who leave UW institutions do not leave because they are in academic trouble, but because life intervenes in either a positive or negative way – related to family, finances, health, or trauma of some kind. He noted that often those students leave because they cannot get to the campus three times a week between 10:00 and 11:00 a.m. to take a course. He said that one of the beauties of the Flexible Degree Program is that the program would address some of those personal situations which tend to affect students from lower-income families harder than students from wealthier families, who often have the means to better address personal situations that arise. He also noted that students from lower-income families are more likely to be African American, Latino, or members of other minority groups.

President Smith thanked Dr. Brower and Dr. Koker for leading the discussion. Returning to the podium, Senior Vice President Morgan explained that the UW System’s biennial budget did not only involve seeking investment from the state; the budget also involved the UW System’s efforts to pursue operational, administrative, and regulatory efficiencies. He noted that savings from efficiencies would provide additional funding for enhancing educational quality. He cited examples of efforts at several campuses to identify and implement administrative efficiencies.

Cost to Continue

Senior Vice President Morgan explained that in addition to the new funding needed to support the Flexible Degree Program and other initiatives, the UW System would also encounter some unavoidable costs increases for things such as utilities and fringe benefits. He explained that cost-to-continue includes adjustments made to the UW System budget by the State Department of Administration (DOA) to reflect the funds needed to keep the doors open at the UW institutions over the next couple of years. He explained that the UW System was waiting

for DOA to provide additional information on projected expenses for fringe benefits and other unavoidable costs, such as debt service, fuel, utilities, and other inflationary adjustments.

He further explained that the resolution the Board was being asked to approve would empower President Reilly to work with the Governor and the DOA to further develop the cost-to-continue portion of the 2013-15 biennial budget. He added that additional information would be provided in October.

Referring again to operational efficiencies, Senior Vice President Morgan explained that some statutory changes would allow the UW System to pursue efficiencies that it had sought for some time. He stated that the changes were recommended by the Special Legislative Task Force on UW Restructuring and Operational Flexibilities chaired by Regent Falbo. The Task Force's recommendations included changes in the areas of state purchasing and personnel. Independent purchasing authority for the Board of Regents would allow the UW System to find savings through its higher education purchasing consortium and a streamlined procurement process. Another proposed change included giving the Board of Regents, rather than the Office of State Employment Relations and the Legislature's Joint Committee on Employment Relations, the authority to approve compensation plans.

Senior Vice President Morgan said that the Board of Regents would be asked to consider a pay plan proposal at a later date before the plan was submitted to the Legislature's Joint Committee on Employment Relations for consideration. Reiterating what President Reilly stated earlier, Senior Vice President Morgan said that compensation for faculty and staff was a critical component for maintaining and enhancing quality efforts and would be a budget priority.

Senior Vice President Morgan concluded by stating that the biennial budget proposal reflected a modest but important investment to ensure that students and families would continue to have access to a high-quality education and that all citizens of Wisconsin would benefit from world-class UW System institutions. Finally, he noted that the UW System's 2013-15 biennial budget included \$21 million to support important initiatives for economic development and implement a new Flexible Degree Program, all of which were tied to progress on Act 32 accountability measures.

President Smith requested a motion to approve Resolution 10100, the 2013-15 UW System biennial operating budget request. Regent Whitburn moved approval, and Regent Pruitt seconded the motion. President Smith asked if there was discussion.

Board Discussion on Resolution

Regent Drew noted that the Board was provided with information indicating that the economic situation facing the state was improving and had improved since the time the last biennial budget request was presented. He noted that in the last biennium the UW System had asked for \$83 million. The request was not funded, and the UW System was instead battered with cuts.

Regent Drew said that he was concerned that the UW System was not asking for what was really needed and not asking for funding to continue the *Growth Agenda*. In the last biennium, the UW System had asked for \$20 million to restore a pay plan rescission from the 2009-2011 biennium, and no pay plan was provided in the 2011-2013 biennium. He noted that UW System faculty salaries are 18% behind salaries at peer institutions. Regent Drew said that he was concerned about faculty leaving, as well as about the faculty who continue to work at UW institutions and fall further and further behind in compensation. He said that the problem had been identified, and the budget did not include anything to address that problem. President Smith thanked Regent Drew for his comments, and noted that the pay plan issue would be addressed at a later time.

President Reilly added that he believed a pay plan increase ought to be a priority in the biennial budget request, stating that it was not a question of whether the UW System would bring forward a pay-plan request, but instead a question of when a pay plan would be forwarded to the Board. He said that if things continued to trend in a positive direction, the UW System would be more able to ask for the kind of pay plan that faculty and staff need to get them closer toward the median of their peers at other institutions.

President Smith called for a vote on Resolution 10100, which was approved on a voice vote.

2013-15 UW System Biennial Operating Budget Request

Resolution 10100: That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the submission of its 2013-15 Biennial Operating Budget request, totaling \$20.8 million biennially in GPR/Fees for a Flexible Degree program and improvements in Quality, Access, and Economic Development (QAED), \$1.2 million for Program Revenue increases, and recommended Statutory Language Changes. The Board delegates authority to the UW System President to approve unavoidable costs requests and seek an extension to the September 17, 2012 submission date, if needed. The unavoidable costs requests will be provided to the Board of Regents in October. The Board is not requesting increased funding for pay plan increases or fringe benefit increases in the 2013-15 biennium at this time. Consistent with past biennial requests, pay plan and future fringe benefit increases will be requested later.

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2013-15 BIENNIAL CAPITAL BUDGET

President Smith asked Associate Vice President David Miller to review the capital budget proposal. Associate Vice President Miller explained that his presentation would include a high-level overview of the 2013-15 capital budget request. He said that at the Capital Budget and Planning Committee meeting, he planned to provide more detailed information on a couple of

projects as examples of the planning process that projects go through, per the request of Regent Bartell.

Associate Vice President Miller pointed to his first slide, which summarized three biennia of statewide capital budgets supported by general fund supported borrowing, which he defined as debt that is issued and repaid with taxpayer funding. He explained that to develop a budget projection one must look at trends in the statewide total for new general fund supported borrowing for recent biennia. He noted that the total in 2009-11 was \$512 million, and in 2011-13 the total was \$509 million. He estimated that this total might increase by 4 percent for 2013-15, to \$525 million.

Associate Vice President Miller also pointed out that the UW System's share of total state bonding increased from 65 percent, or \$332.8 million, in 2009-11, to 77 percent, or \$392.4 million, in 2011-13. The UW System's 2013-15 request of \$400 million would comprise approximately 76 percent of projected total state bonding. Mr. Miller noted that the \$400 million request for general fund supported borrowing would be part of a total UW System capital budget of \$769 million for the 2013-15 biennium. He indicated that in addition to general fund supported borrowing, the capital budget the Regents were being asked to approve also included program revenue receipts, program revenue borrowing, and gifts and grants. Additionally, he noted that because some large complex projects span more than one biennium, the state has a history of enumerating those projects in one biennia and actually releasing the funding in the next biennia. This practice allows the UW System to do the appropriate planning prior to the release of the bonding, and avoids the authorizing of debt in a biennium during which the funds will not be spent.

He noted that the state focuses mostly on the UW System's general fund supported borrowing request because it is taxpayer funded and leaves to the Board of Regents the review of program revenue supported projects. He also noted that the Regents' budget materials included summary information regarding all of the projects, one-paragraph summaries of each of the projects, as well as more detailed information for each project including the data that contributes to the project justification, the need for the project, the expenditure plan, and the physical development plan for each and every project.

Associate Vice President Miller referred to his next slide, a pie chart illustrating that 52 percent of the capital budget request is state funding, and 48 percent is university funding. He noted that this was the first time in recent years that the general fund request (state funds) was larger than the program revenue request (university funds), primarily because UW institutions were requesting a bit less in program revenue expenditures.

Mr. Miller said that UW institutions requested about \$822 million for 22 capital projects. The recommendation before the Board included funding for five major enumerated projects and two major facility renewal projects, which totals approximately \$255 million using general fund supported borrowing and also leveraging other revenue. In the non-taxpayer supported category of projects, institutions requested 19 student life and auxiliary projects, 15 of which were included in the recommended budget. He said that of the four remaining projects, some would be brought to the Board for consideration in October; the state Department of Administration

allows the UW System to make a supplemental request and these projects are still in development.

Associate Vice President Miller explained that the UW System was proposing modest reforms to the capital budget process that would benefit all state agencies. One of the reforms would be to consider enumerated projects – those listed in the budget in the statutes by name and dollar amount – to be only those that are for new space and over \$1 million. Another reform would be to collapse the programs that address existing facilities into one program.

Associate Vice President Miller also provided information regarding the significant economic impact of the capital budget. He explained that a 2011 economic impact study by Associated General Contractors indicated that \$1 of this type of construction has a \$1.92 impact on the economy. In addition, every \$1 million generates approximately 17 jobs and about \$85,000 in state and local tax revenue. The study also showed that the average wage per worker in the construction sector is significantly higher than the average state wage. He said that extrapolating the study results to the capital budget request suggests that the UW System's capital budget would have an economic impact of about \$1.7 billion in economic activity, 13,000 jobs, \$65 million in state and local tax revenue, and \$589 million in construction and other wages. He said that some might argue that the jobs created last only as long as the buildings are being built, which is true and which is why the state needs a predictable and sustainable capital program to support and drive the industry and keep those jobs in Wisconsin.

Associate Vice President Miller then introduced a short video regarding Cowley Hall at UW-La Crosse, which illustrated the impact of facilities on the quality of instruction and research.

Following the video, Regent Bartell asked Associate Vice President Miller to briefly describe the evaluation criteria used to prioritize capital projects. Mr. Miller noted that the prioritization of projects is a complex process, and the budget document provided to the Board included a two-page summary of the evaluation criteria. He indicated that all of the requested projects are highly meritorious and the criteria included both academic need and facility condition, with an emphasis on considering existing facilities before considering the building of new facilities. He said that as part of the process, consideration is also given to the range of alternatives that could remedy each situation, such as possible scheduling changes or instructional changes.

Regent Whitburn said that at a prior meeting, the Board of Regents learned about a plan for a new \$75 million science building at UW-Stevens Point. Several weeks ago when he and Regent Higgins were at UW-Stevens Point, he toured the existing science building scheduled for replacement and noted that it resembled a zoology lab at UW-Oshkosh in 1962-63. He later learned that the existing building was constructed around the same time, suggesting that the UW System clearly has very significant needs being addressed through the capital budget. As a follow-up to Regent Bartell's question, he said that he had also seen a thick stack of documentation assembled by Associate Vice President Miller's staff and Chancellor Patterson's staff over the course of several years spent developing the building project. Regent Whitburn

also noted that the existing debt service, not including the existing capital budget request, was \$482 million, or about 5 percent of the UW System's budget.

Regent Millner said she wanted to underscore the importance of the single enumeration of smaller projects and repairs that Associate Vice President Miller noted, as opposed to sequential annual requests. She said that in some respects, the video he showed was an example of what had happened in UW System facilities because of the state's capital budget process.

President Smith asked for a motion to approve Resolution 10101, the UW System's biennial capital budget request. After the resolution was moved by Regent Bartell and seconded by Regent Whitburn, President Smith asked if there was any further discussion.

Regent Falbo suggested that the Capital Budget and Planning Committee look at not only the amount that is bonded, but the amortization and whether the funds were being repaid over the useful life of the buildings.

Associate Vice President Miller explained that the state cannot issue bonds that exceed the life of the subject of the bond issue. He also noted that the bond terms are sometimes shortened for equipment if the useful life would otherwise exceed the bond term.

President Smith called for a vote on Resolution 10101, which was adopted unanimously on a voice vote.

2013-15 UW System Biennial Capital Budget Request

Resolution 10101: That, upon the recommendation of the President of the University of Wisconsin System, the 2013-15 Capital Budget request be submitted to the Department of Administration and the State Building Commission. The 2013-15 Capital Budget request includes the following:

1. Enumeration of four projects at a cost of \$187 million 2013-15 General Fund Supported Borrowing (GFSB) and \$36 million Gift/Grant Funds. Two of these projects include \$94 million GFSB funding for the 2015-17 biennium and one project includes \$18 million GFSB funding for the 2017-19 biennium. Note: 2013-15 General Fund Supported Borrowing also includes \$30 million GFSB that was advance enumerated in the 2009-11 Capital Budget and \$68 million GFSB that was advance enumerated in the 2011-13 Capital Budget. Those funds will become available on July 1, 2013.
2. Enumeration of four projects at a cost of \$48.2 million GFSB and \$14.4 million non- GFSB sources (\$12.7 million Program Revenue Supported Borrowing (PRSB), \$1.6 million PR-Cash, and \$.1 million Gift/Grant Funds); and \$67.1 million GFSB for Maintenance and Repair All Agency and Small projects.

3. Enumeration of fifteen projects funded by non-GFSB sources (\$245.7 million PRSB, \$45.3 million Program Revenue-Cash, and \$28.6 million Gift/Grant Funds).
4. Advance Enumeration of one project at a cost of \$75 million GFSB for the 2015-17 biennium with GFSB funding to become available on July 1, 2015.
5. Authorization for the UW System President or designee to adjust individual project budgets as necessary in the development of the final 2013-15 Capital Budget recommendation with the Wisconsin Department of Administration.

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UW SYSTEM ACCOUNTABILITY REPORTS

President Smith introduced the UW System Accountability Reports agenda item, noting that this year there were three reports instead of only one. He explained that the reports represent the UW System's commitment to providing stakeholders with a detailed assessment of what the UW System is doing. He said that it is important not only for UW institutions but also to the UW System's many diverse stakeholders, students, families, legislators, and taxpayers who have an investment in the UW System. He said that one of the key responsibilities of the Board of Regents is to examine and analyze the performance of UW System institutions and to use that information to inform policy decisions.

President Smith said that the work that had been done with the accountability reporting over the years demonstrated that the UW System was delivering on a significant investment that people make in higher education. He noted that Senior Vice President Mark Nook and UW-Madison Provost Paul DeLuca would present and explain the reports. They would be followed by UW-River Falls Chancellor Dean Van Galen and UW-Oshkosh Provost and Vice Chancellor for Academic Affairs Lane Earns, who would provide additional insights on how campuses are working to improve performance. He asked President Reilly to begin the presentation.

Background

President Reilly noted that this year's report was the 18th annual presentation of the UW System Accountability Reports. The UW System was the first statewide system of higher education to publish an annual accountability report, he said, focused on consistent measures of access, degree completion, professional preparation, and stewardship of resources.

He recalled that three years before, the report was revamped to reflect the UW System's strategic framework and the goals of the *Growth Agenda for Wisconsin*. He noted that the title of the report, "Investing in Wisconsin's Future," captures how the UW System's strategic priorities aim to benefit the people of Wisconsin. He said that this year was the first time the UW System

would present multiple accountability reports. One report aligns with the *Growth Agenda* goals, while the two other reports respond to legislative performance measures identified in Act 32, the 2011-13 biennial budget legislation which required separate reports for UW-Madison and the balance of the UW System institutions.

President Reilly stated that the reports provide Wisconsin residents with a clear picture of how the UW System is making progress toward identified goals, including traditional measures such as enrollments, graduation rates, retention rates, and resource management. These goals address the UW System's impact on Wisconsin communities through civic participation, community outreach and engagement, and economic development. He noted some examples of the new measures from Act 32, such as the placement of graduates, financial aid for students with need, new businesses created and spun off, support to existing industries throughout the state, and jobs created in campus areas and state-wide.

President Reilly highlighted several measures that he said deserved close attention. He said that areas in which the UW System has work to do included participation in study abroad or UW exchange programs, as the proportion of bachelor's degree recipients participating in these programs decreased slightly. He said that while this was not surprising during a major global recession, it was not acceptable in a burgeoning knowledge economy. President Reilly also noted that while the rates of retention and graduation exceeded comparable national rates at public four-year institutions and the five-year trend for both showed improvement, the UW System rates were lower than planned.

He noted that the UW System successes include a record number of degrees conferred in 2010-11 and an increased proportion of "high value degrees" in STEM (science, technology, engineering and math) areas and in health fields. He noted that 19.5 percent of degrees conferred were in STEM areas, and 8.4 percent were in health fields.

President Reilly also said that critical thinking assessments and scores on post-baccalaureate examinations show that the UW System is producing quality graduates as UW System students performed above national averages on nursing licensure, the Graduate Record Exam, and the Medical College Admissions Test. He also noted that degree holders were produced through the responsible use of resources, as evidenced by the decreased number of credits taken by bachelor's-degree recipients and administrative spending per student that was only 40 percent of the national average.

President Reilly explained that the accountability reports would be delivered to the Governor and every legislative office. In addition, he said that every chancellor uses their institution-specific report to design improvement strategies with their campus colleagues. Current and past years' accountability reports are posted on the UW System website.

"Investing in Wisconsin's Future" Accountability Report Goals

President Reilly introduced Senior Vice President Nook to talk about the reports' particulars. Dr. Nook started his presentation by focusing on the UW System report, "Investing in Wisconsin's Future," noting that the UW System had 22 goals. Twelve goals had been

achieved, five goals showed mixed results, three goals had not been met, and two goals were considered “in progress.” He also noted that each of the goals had benchmarks related to national peers, UW System *Growth Agenda* targets, and prior-year achievements.

Referring to his slides, Senior Vice President Nook indicated that the UW System is on-target to meet its goal of producing 80,000 more graduates by 2025, with an increase of 1,200 graduates in the past year. He also noted that the UW System is increasing the number of degrees produced in STEM fields and in health care fields, with just short of 10,000 degrees in 2010-11. He said that students were graduating with an average of 137 credits, a number that has decreased over time and which suggests the UW System is producing degrees more efficiently and effectively. He explained that most UW System degrees require between 120 and 128 credits for graduation, suggesting that students were taking an extra 8 to 17 credits, which is between a half-semester and a full-semester of extra credits.

Dr. Nook pointed out that most UW campuses have “banded tuition,” which allows a student to take between 12 and 18 credits for the same price, and a student could complete 137 credits in eight semesters for the same price as 120 credits at no additional cost. While some students taking 137 credits are doing so in more than eight semesters, that does not need to be the case.

Senior Vice President Nook noted that the systemwide retention rate has been close to 85 percent over the past decade. However, the retention rate for students returning to the same UW institution dropped 1.2 percentage points to 79.6 percent, which is also lower than the UW System’s More Graduates goal of 80.4 percent. He said that while this is not a large decrease, it is not something the UW System wants to see. He said that the UW System had some work to do, and he hoped that, like the stock market, things were moving in the right direction and this past year represented a market correction. He noted that the UW System has to pay close attention to these numbers and make sure there is continued focus on keeping students in the UW System.

Dr. Nook said that people often ask what happens to students who are not retained, he asked one of the UW institutions to look at what exactly happens with those students. He said he chose an institution: (1) that had compiled similar data in the past and would be able to do so again relatively quickly; and (2) that had retention and graduation rates almost identical to the systemwide numbers.

Referring to a slide, Senior Vice President Nook explained that the institution started with a 2010 freshman cohort of 1,644 students and retained 80 percent of those students; 328 students, or 20 percent, did not return to the institution. Of those who did not return, 245 were academically eligible to return, and 83 (or 5 percent of the freshman cohort of 1,644 students) were not eligible to return. Of the students academically eligible to return, more than half, or 127, enrolled at another UW campus, while 60 students enrolled at a non-UW institution to continue their education, and 58 were not enrolled anywhere. He noted that among the 83 students who were academically ineligible to return, four were enrolled at another UW institution, 29 were enrolled at non-UW institutions, and 50 were not enrolled anywhere. In summarizing all of this information, he noted that 93.4 percent of the entering class from this one

institution is still involved in higher education, and just over 6 percent is no longer involved in higher education. Students no longer involved in higher education may have not returned for various reasons, including family commitments, academic ineligibility, or medical problems.

Regent Bradley pointed out that some of the students who are not retained are enrolled in Wisconsin's technical college system, which is also taxpayer-supported higher education.

Senior Vice President Nook confirmed that Regent Bradley was correct. He then moved on to his next slide, regarding six-year graduation rates, noting that the rates are short of the UW System targets, but still much better than the national average. He said that the UW System has seen nice growth in the graduation rates -- the percentage of students who graduate within a six-year time frame -- and continues to be aggressive in its targets for graduation rates. He noted that UW System benchmarks its graduation rates based on wanting to produce 80,000 more graduates by 2025, rather than the national rates. He said that although the UW System was falling a little short on the percentage of graduates, it was still producing more graduates. He noted that this is an area that required additional attention and work by the UW System.

Regent Whitburn then asked for additional information, in a later presentation, regarding the goals for each of the campuses and the differing graduation rates among them.

Senior Vice President Nook continued his presentation, noting an improvement in the four-year retention rates. He noted that the rates had exceeded the goals the UW System set for itself, and were moving closer to the national average. He also provided more information regarding the achievement gap, or the difference in the retention and graduation rates of underrepresented minority students and low income/Pell grant-eligible students, as compared to the rest of the student body. He noted that the retention rate achievement gap was as high as 11 percent, and had been reduced to 7 percent. He also noted that the UW System's goal was to reduce the achievement gap to 5 percent by 2015. He said that the UW System was continuing to work toward closing the gap.

UW-River Falls – Pathway to Distinction

Senior Vice President Nook then introduced UW-River Falls Chancellor Dean Van Galen to share information regarding academic success initiatives at his institution. Chancellor Van Galen started his presentation by explaining that UW-River Falls recently completed its 2012-2017 strategic plan, titled "Pathway to Distinction." He said that the plan had three strategic goals: (1) distinctive academic excellence, which includes becoming a national leader in undergraduate and collaborative research; (2) global education and engagement, which has been a strength of the institution for some time; and (3) innovation and partnerships, including partnerships with alumni and friends as the institution seeks to complete its first comprehensive fundraising campaign in the coming years. He noted that the institution's strategic plan goals provide some context for understanding the institution's choice of the performance goals on which it would focus in 2013-15.

Chancellor Van Galen explained that the first performance goal for the institution was to increase student work with faculty on research projects to expand undergraduate research across a range of disciplines. UW-River Falls would focus on undergraduate research because this is a

high-impact educational practice that leads to increased retention and increased student learning, it builds on an existing strength of the institution, and it is an identified priority for students. He provided examples of what the institution would need to make progress in this area. The first need is for student stipends, projects, and travel support, which is particularly important as almost half of UW-River Falls students are first-generation college students, and the average family income is the second-lowest in the UW System. He said the second need was for faculty support, including the time, resources, and project support that allows faculty to engage with students in undergraduate research.

Chancellor Van Galen explained that the second performance goal for UW-River Falls was to increase foundation scholarship dollars for students with need. One of the initiatives the institution would undertake, if fundraising is successful, is the Falcon Scholars Challenge, which will provide four-year scholarships of \$1,000 per year to incoming freshman who maintain a 2.7 grade point average. Students agreed to partner with the administration and use funding from differential tuition to support Falcon Scholars with \$2,000 in their junior or senior year to either study abroad or engage in undergraduate research. The belief is that the program will positively affect time to graduation, retention, recruitment, and student success. He noted that the institution's goal would be to support 80 new freshmen with financial need but also high potential for success at UW-River Falls, and to have 320 Falcon Scholars within four years. He said this initiative was a priority of the fundraising campaign launched in April; \$800,000 in private support would be needed for the Falcon Scholars program for the first four years.

Chancellor Van Galen concluded his presentation by providing a progress report on the institution's fundraising efforts. He announced that \$625,000 had been raised, in large part due to UW-River Falls graduates Arlin (class of 1958) and Marilyn (class of 1956) Albrecht, of Red Wing, Minnesota, who committed \$400,000 to the Falcons Scholars Program as a challenge gift.

UW-Oshkosh – University Studies Program

Chancellor Van Galen was followed by UW-Oshkosh Provost Lane Earns, who introduced UW-Oshkosh's new University Studies Program. He noted that for years, state and Regent leaders had been asking the UW System's comprehensive institutions to focus on access, collaboration, transferability, and flexible delivery options to grow the number of graduates in Wisconsin. He said that UW-Oshkosh had made these goals central to its mission, provided the institution could maintain the quality of its programs and degrees. Provost Earns said that in spite of efforts to develop new programs to assist students, the rise in retention and graduation rates was moderate and sometimes inconsistent. Because of this, the institution started planning for a more comprehensive curricular change, in hopes of providing all students with a more intentional and integrated course of study that would result in a higher-quality educational experience and better prepare them for the challenges of an increasingly competitive 21st-century global economy. He said that the hope was that these changes would keep more students in college and move them through college more efficiently towards a degree.

Provost Earns explained that UW-Oshkosh's new general education program, known as the University Studies Program, was the result of years of dedicated work by faculty members committed to increasing student retention and enhancing the quality of student learning. He said that as the institution implements and carefully assesses the program, it expects to demonstrate

that more students will be better prepared to address the challenges they will encounter in their communities, the state, the nation, and across the world.

He said that like all successful curricular developments, the new program was the product of faculty-facilitated reform efforts. He explained that faculty members investigated general education research, AAC&U's LEAP Initiative, successful national models at similar institutions, and data-supported high-impact teaching and learning practices. As a result of this collaborative work, the University Studies Program embodies exemplary local and national thinking on general education and is due to begin in the fall of 2013. Provost Earns explained that at the core of the program was a sequence of courses called the "Quest," in which new students would be challenged to ask big questions in small learning communities, be supported by peer mentors, and taught by instructors specifically trained to address the learning needs of first-year students. In subsequent semesters, students would focus on ethical reasoning and participate in community-engagement projects supported by alumni mentors.

Provost Earns indicated that all UW-Oshkosh students would engage in these high-impact learning experiences in the foundational years of their academic careers. He also noted that the assessment of student learning is embedded within the program, and the coordinated curriculum ensures that students reflect upon their learning through the use of an electronic portfolio which will allow students to document their achievements with papers, speeches, projects, posters, community-engagement reflections, videos, lab reports, and other learning artifacts. He added that students would be able to use their portfolios for employment or graduate school interviews.

Provost Earns explained that UW-Oshkosh's new program would coordinate several elements which contribute to better student outcomes, including: a curriculum based on campus essential learning outcomes; signature questions threaded throughout the program; common intellectual experiences tailored for first-year students; learning communities; peer mentors; community-engagement projects; alumni mentors; electronic-learning portfolios; specific alternatives for transfer students from other institutions; ongoing professional development for the teaching community; and the integrated assessment of student learning.

He concluded by stating that in difficult economic times, UW-Oshkosh faculty members had collaborated to create and improve upon an exciting new program, demonstrating an amazing dedication to students and to the future of the state. He said that he and Chancellor Wells hoped that the faculty's efforts will be recognized when a pay plan is determined in the upcoming months. He said that the work with the program has only begun, and as the institution moves toward implementation, all faculty, staff, and students would need to commit additional investments of time and intellectual energy. He said that UW-Oshkosh's goals are lofty, and the assessment plan would ultimately reveal the impact of this program on retention and graduation rates and on the quality of the educational experience at UW-Oshkosh.

Board Discussion

Following the conclusion of Provost Earns' presentation, Regent Roberts noted that Senior Vice President Nook had mentioned the growth in science degrees, and asked if he had

information on the growth in liberal arts degrees and the success of graduates with liberal arts degrees in getting jobs. Dr. Nook explained that liberal arts degrees have grown more slowly than the total number of degrees. He also said that gathering information on what students do after graduation is an extremely difficult task, but a task on which the UW System continues to work. Regent Roberts explained that he was recently at a restaurant with valet parking and the valet indicated that he had a college degree but was unable to find a job other than parking cars. He later learned that the bartender and the server who waited on him were also college graduates, and all three of the restaurant employees graduated with liberal arts degrees.

Regent Behling asked Senior Vice President Nook to explain an irregularity in the data in 2005-06 related to the number of degrees granted that appeared to self-correct, and what led to that self-correction. Senior Vice President Nook explained 2005-06 was when institutions started paying attention to the *Growth Agenda*, with each campus developing a plan for improving student success with the goal of increasing the number of graduates produced each year. He said that each of the campuses was involved in developing their own plans, and the presentations on UW-River Falls and UW-Oshkosh initiatives were the result of those plans.

Regent Bradley complimented UW-Oshkosh's efforts. He said that he is a member of the National Leadership Council of the American Association of Colleges and Universities, which recently completed a national study that looked at what large, medium-sized, and small companies are looking for in college graduates' abilities. He noted that regardless of the size of the company, all of the employers said they needed college graduates who could think, discern, figure things out, ask big questions, and analyze. He said that employers can teach the specifics of their businesses to new employees; the specifics change quickly because of the fast-moving economy. He said that it was as if UW-Oshkosh had developed their program based on the results of the study because it fits like a hand in a glove.

Regent Bartell asked if the UW System's new flex degree program would change the goals for the *Growth Agenda* and some of the accountability measurements, such as the number of degrees awarded and time towards graduation. Senior Vice President Nook said that as the UW System was developing the *Growth Agenda*, staff recognized that the needs of the adult sector had to be addressed.

Regent Drew stated that two areas in which the UW System struggles are access for underrepresented minorities and the achievement gap in retention and graduation rates for underrepresented minorities. He asked that a future Board of Regents meeting include presentations on the efforts that are being made in those two areas.

Act 32 Performance Reports

Senior Vice President Nook indicated the next portion of the presentation included a report from UW-Madison Provost Paul DeLuca regarding the separate accountability report that the legislature now requires for UW-Madison.

UW-Madison

Provost DeLuca started his presentation by pointing out that in 2010-11, for the first time in the history of the institution, UW-Madison awarded more than 10,000 degrees. He said this was not due to accepting more students per se, but because of the improved efficiency of the graduation rate, more effective use of resources, and more effective use of the curriculum.

Provost DeLuca noted that UW-Madison's retention rate was nearly 95 percent and, realistically, unlikely to get much better. With regard to the graduation rate, he pointed out that UW-Madison had driven the rate up to almost 84 percent; the only public, class-one research institution with a higher rate is Penn State University.

The provost said that UW-Madison tries to ensure the institution has a diversified student population, where diversity refers to every aspect of the student life. He pointed out that nearly 17 percent of undergraduates are considered low-income; 20 percent of students with Wisconsin-residency are low-income, compared to 8.9 percent of Minnesota-reciprocity students and 13.7 percent of non-resident students. Provost DeLuca also referred to a slide which indicated that 9.9 percent of undergraduates were underrepresented minorities. He said that these numbers could and should increase, and UW-Madison was working hard to improve them. He indicated that the institution was facing a demographics problem and a preparation problem.

Referring to a slide showing that more than \$150 million in financial aid was awarded at UW-Madison in 2010-11, Provost DeLuca said that the institution's investment in financial aid was a significant effort to address the financial need of the student population, which takes energy and effort but has a large impact in ensuring people have the opportunity to obtain a degree from a world-class institution.

Provost DeLuca turned to his next slide, which indicated that 76 percent of first-year students and 86 percent of seniors reported that the courses needed for their majors were available either "most of the time" or "always." Similarly, 77 percent of first-year students and 81 percent of seniors reported that general education courses were available either "most of the time" or "always" during that same time period. He explained that access to courses was one of the drivers behind the Madison Initiative for Undergraduates, as there were road blocks for some majors, and UW-Madison had realized some fairly dramatic improvements. He pointed out that some of the backlog is due to the lack of facility space, as illustrated by the institution's capital request for a new chemistry building. He also noted that the goal is for those numbers to increase even further, to the high eighties.

Provost DeLuca then referred to a slide listing some of the high-density courses at UW-Madison, which are generally courses that must be taken during a student's first two years. He pointed out that enrollment in Chemistry 103 and 104 was more than 4,000 in 2010-11, and providing a high-quality laboratory experience for all of those students requires a lot of energy, as well as facilities.

Provost DeLuca's next slide illustrated enrollments by major for the fall 2011 semester. He pointed out that a similar chart for the UW System would look very different, as UW-

Madison enrollments are heavily weighted towards STEM fields and quantitative fields. He said that roughly half of all undergraduates are in STEM-related fields.

Referring to students' college experience, Provost DeLuca said three things affect student impressions: high-impact practices, critical thinking experience, and overall experience of students. He explained that Wisconsin Experience activities are participatory experiences available at UW-Madison that add value to a student's degree, and 89 percent of 2010-11 graduates were involved in at least one of those experiences. He said that experiences such as working with world-class faculty in a research environment and interacting with high-quality, competitive students are irreplaceable and distinguish UW-Madison from the University of Phoenix and many other institutions.

Returning to retention rates, at nearly 93 or 94 percent for the overall student population, Provost DeLuca pointed out that the rate for minority students is only two percentage points lower, with the institution continuing to work hard at closing the gap entirely. He also noted that the graduation rate for minority students is 14 percentage points lower than the rate for overall student population and emphasized that UW-Madison needs to close the gap.

Provost DeLuca's next slide identified the number of graduate and professional degrees conferred in 2010-11 and indicated that UW-Madison was doing extremely well in this area, and had an opportunity to do even better. He also emphasized that the research impact of UW-Madison was extraordinary, with total research expenditures near \$1 billion each year, and a ranking of two or three nationally.

Provost DeLuca also touched on estimates of UW-Madison's impact on the economy, noting that more than 110,000 jobs had been created as a result of UW-Madison. He also mentioned UW-Madison's productive relationship with its sister campuses, often through dual degree programs. He noted that UW-Madison has partnered with other organizations related to hosting student placements, business development assistance, service learning or volunteer partnerships, and cultural or arts-related partnerships. He then invited Board members to ask questions.

Regent Whitburn asked Provost DeLuca to identify some of the issues that are critically important. The provost said that the goal for UW-Madison was not to only to continue to be, but to become an even better world-class institution. Noting that the institution's impact was increasingly high, particularly for citizens of the state, he said that the key is for the institution to do even better. He said that the institution's ability to effectively manage six to seven thousand new students every year, bring them up to the necessary level of accomplishment, and provide them with the opportunities they need, is not optimal and the institution is struggling. He said that improvements have been made, but more needed to be done in the area of educational innovations and rethinking the delivery of curriculum. He said this is Job #1, while Job #2 would be to ensure that the institution has a highly-integrated relationship between its research enterprise and the rest of the curriculum. The research enterprise is the institution's distinguishing feature and needs to be healthy, strong, and at the cutting edge.

Regent Higgins said that he has been involved for nearly 20 years with various UW-Madison plans for increasing the enrollment and retention of underrepresented minority students, and the numbers had not changed. He said that it seemed as if the university was constantly talking about the need to reevaluate and identify new ideas, yet the needle is not moving. Provost DeLuca noted that UW-Madison actually has moved the needle, as the minority student retention rate is within one or two percentage points. Regent Higgins pointed out that UW-Madison's minority student enrollment is only at 9.9 percent, to which Provost DeLuca responded that UW-Madison is facing a challenge in terms of the state demographics, which require the institution to reach outside the boundaries of the state. He said that the proportion of underrepresented minority students had increased as a result of UW-Madison's work with "pipeline" programs.

In response to a question about what had changed between last year and this year, Provost DeLuca explained that UW-Madison had penetrated the recruitment pool on a much more active level by talking to parents and making sure they understand the opportunities that UW-Madison can provide.

UW System Except for UW-Madison

Senior Vice President Nook returned to the podium to share additional information regarding new accountability measures for the rest of the UW System. The UW System and UW-Madison, separately, each must file new reports required by Act 32. He acknowledged the work of UW System Associate Vice President Heather Kim and UW-Madison Associate Provost Jocelyn Milner, whom Provost DeLuca had also acknowledged.

Highlighting some of the data from the accountability report for the UW System apart from UW-Madison, Senior Vice President Nook noted that the other UW institutions had seen real growth in institutional grant aid, which is private funding to support students, from approximately \$8.6 million in 2006-07 to \$14.5 million in 2010-11.

Dr. Nook closed his remarks by mentioning that UW System institutions, including UW-Madison, spent less than half of the national average on institutional support, or administrative costs, per student. He said that the administrative overhead of UW institutions is significantly lower than that of competitors because institutions have been extremely efficient. He also pointed out that faculty salaries are 18.2 percent lower as compared to peer universities, which not only hurts with respect to faculty still working within the UW System, but for recruitment, as it is well known throughout the country that the UW System is paying well below the average. He said that this is the problem most in need of fixing and if it is not done right, quality will start to deteriorate. Senior Vice President Nook concluded by thanking all of those involved in assembling the accountability reports.

Referring to earlier remarks by Regent Roberts about liberal arts degrees and employment, President Reilly said that he wanted to assure Regent Roberts that after he earned his bachelor's degree in English, he took a year off before going back to graduate school, also to study English. He said that he spent that year working in a liquor store in northern New Jersey, learned a lot doing so, and returned to graduate school with a lot more enthusiasm. He said that one never knows where that valet, bartender, or waiter might wind up.

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The meeting was adjourned at 11:55 am.

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Submitted by:

/s/ Jane S. Radue

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