

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

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

Friday, December 7, 2012  
9:00 a.m.

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Held in Varsity Hall II  
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Friday, December 7, 2012  
9:00 a.m.

- President Smith presiding -

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

UNABLE TO ATTEND: Regent José Vásquez

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**APPROVAL OF THE MINUTES OF THE AUGUST MEETING**

The minutes of the August 23, 2012 meeting had been distributed. Upon the motion of Regent Bartell and a second by Regent Whitburn, the minutes were approved on a unanimous voice vote. There were no additions or corrections.

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**UW-MADISON'S NCAA DIVISION I ATHLETICS 2011-12 ANNUAL REPORT**

Deferring his usual report until later in the meeting, President Smith noted that at the November meeting, the board approved the reporting framework for NCAA Division I athletic programs; at the present meeting, the first report under the framework, from UW-Madison, would be discussed.

President Smith turned to UW-Madison Interim Chancellor David Ward, who remarked that the reporting process had been discussed for several months. A reporting procedure was now in place, representing a formalization of what previously occurred very informally. The

events of the past two years in athletics created greater public visibility and a desire for transparency and accountability. Chancellor Ward said that he had signed off on this first annual formal report, along with Athletic Director Barry Alvarez.

Chancellor Ward invited Director Alvarez to speak. Mr. Alvarez affirmed that it was considered prudent for UW-Madison Athletics to present a report to the Board of Regents. He said that the written report presented an in-depth study of the areas considered important to be evaluated. He said that it was a comprehensive report and that he would be glad to answer questions about it.

He first referred to the report's indication of a graduation rate of zero. He explained that in each case, it was in a sport where there are very few affected student athletes. Using men's basketball as an example, he said that the report indicated a zero graduation rate. In this case, three people were affected: one played in the pros, one transferred, and the other graduated in six years.

Regent Bartell commented that the report was comprehensive and thorough. He said, though, that he had some difficulty interpreting such items as the zero-percent rate that Mr. Alvarez had mentioned. He suggested it would be helpful for the athletic director to put together an executive summary of the report to the Regents, identifying things of which the director is proud, things of which he is not so proud, things that need to be worked on in the next year, and things that might cause embarrassment, for example. A one- or two-page summary would help Regents understand and interpret the report in a way that would give them confidence. Mr. Alvarez agreed that with such direction, the type of summary that Regent Bartell described could be done next year.

Regent Millner expressed her thanks for the thorough report. Referring to breakdowns of the institutional structure related to athletics in other places, Regent Millner commented that Wisconsin has a unique structure. At UW-Madison, for example, there is athletics oversight by the Regents, along with the athletic board, and an engaged chancellor and administration. Commenting on the very recent resignation of the football coach at UW-Madison, Regent Millner expressed appreciation for a structure that allowed the athletic director to step in so quickly to address the situation (and coach the team in the Rose Bowl). Mr. Alvarez said that he was unaware of another school in the country where an athletic director could step in and take over the football program in 24 hours, or where the team would ask the athletic director to do that. He expressed appreciation for the positive public response.

Regent Drew asked about graduation rate benchmarks in the report, particularly those that relate to African American student-athletes. One benchmark pertained to maintaining a graduation rate greater than the rate for all UW-Madison African American students, and another to maintaining a graduation rate for African American student-athletes greater than the national average. Regent Drew said that he could not find the figures associated with these benchmarks. He turned to Doug Tiedt, who oversees academic services. Mr. Tiedt reported that the graduation rate for African American student-athletes at UW-Madison was 48 percent. He compared this to an overall graduation rate at UW-Madison of 61 percent. He said that the four-year average for athletes who are students of color student was also about 48 percent; the campus

rate is 58 percent. He indicated that because the goals are not being met, the benchmarks were set. Asked about national rates, Mr. Tiedt said that he would provide this information at a later time; he added that one reason for the graduation rates in basketball is that many students turn professional and then do not come back to finish their degrees in a six-year period.

Regent Drew also asked about recent news about traumatic brain injuries for football players at all levels. He asked if Director Alvarez had any insight into what his department was doing to protect players. Mr. Alvarez responded that the UW-Madison Athletic Department is one of the leaders in research in implementing a program that is being used nationally. One of the doctors at UW Hospital is one of the foremost experts, and the issue has been studied thoroughly at UW-Madison.

In response to a question from Regent Millner about a UW-Madison initiative related to graduation rates, Mr. Alvarez turned to Deputy Athletic Director Sean Frazier, who referred to work with the Wisconsin Equity and Inclusion Lab and a mentorship program based on research in non-athletic settings. The research was not being applied to athletic settings, and he expressed the belief that it would have long-term benefits.

President Smith asked about secondary violations and the response to secondary violations. Mr. Alvarez said that when violations are identified, UW-Madison self-reports them to the NCAA and the Big Ten. Action is taken depending on the severity of the violation. If someone is negligent, something may be put in their file; if the violation continues, a sterner response would result.

President Smith asked if there is a different procedure when there is a major violation as opposed to a secondary violation. Mr. Alvarez said that when a major violation occurs, there is typically an investigation by the NCAA, which decides the punishment. The university has an opportunity to present its case. UW-Madison has not had a major violation since 2000.

Noting that 22 secondary violations were mentioned in the report, President Smith asked if this was a low, average, or high number of secondary violations. Mr. Alvarez said that this was about average; single digits would indicate a less-than-diligent compliance department.

Regent Pruitt, referring to the landscape of intercollegiate athletics, asked Mr. Alvarez what he would identify as the key factors in terms of oversight, mission, and culture that differentiate the UW-Madison program from programs elsewhere that have encountered trouble. He also asked what needs to be highlighted in the future.

Mr. Alvarez indicated that UW-Madison's situation is unique, in that it has an athletic board that has oversight of the athletic department. No other Big Ten schools have athletic boards. The Big Ten commissioner is compiling, with help from Professor Walter Dickey of the UW-Madison athletic department, procedures for institutional control. The university presidents are working to get on the same page regarding control of the athletic department, chain of command, etc. The goal is to avoid a situation, such as at Penn State, where one strong figure within the athletic department operates without oversight.

Chancellor Ward added that boards are interested in two things: (1) accountability and transparency; and (2) the relationship between the conference, money, TV, and strategic realignment. He said that briefing of Big Ten chancellors and board presidents – to include Chancellor Ward and President Smith – had been scheduled for January 27, 2013. He commented that the document to be discussed was a very good one, and it included a best-practice chain of command.

Regent Higgins observed that the athletic department is supported by a group of very active peripheral organizations, such as the National W Club, Mendota Gridiron Club, and the basketball boosters organization. He asked how such groups are monitored by the athletic department to make sure they are using and promoting the UW brand appropriately.

Mr. Alvarez observed that the Mendota Gridiron Club provides a very small portion of the finances for the athletic program. He said he had kept such organizations in place because UW-Madison is one of the few schools in the country to give weekly access to the head coach to those who are interested. It is a unique relationship, and the fundraising is a minute part of it. Mr. Alvarez noted that a staff person in the compliance area works directly with each of the organizations and checks their books; each is audited every year.

President Smith asked Senior Vice President Michael Morgan to return to the podium to make additional comments on the report from the athletic department. Mr. Morgan noted that the accountability framework that the Board approved at its last meeting was intended to address student welfare information, financial information, and compliance information. The System office performed a high-level review and concluded that all of the required information was provided.

Regarding financial information, Mr. Morgan said that the UW Madison Department of Intercollegiate Athletics essentially operated on a break-even basis during the fiscal year ending June 30, 2012. When actual financial results and the existence of endowments and other available fund balances are considered, it is clear the program was financially viable and sound.

With respect to compliance information, Mr. Morgan said that the information provided included certain compliance reports issued by UW Madison's internal audit department, as well as agreed upon procedures issued by an independent accounting firm. A review of that information identified no material compliance matters.

Referring to student-athlete welfare, Mr. Morgan said that the System's review indicated that UW-Madison had presented academic progress, rate information, and graduate rate success data consistent with what they reported to the NCAA. The reported academic progress rate (APR) was 925; there is a multiple-year plan to increase this level to 930. All of UW Madison's sports reported APRs that exceeded the NCAA's required level. The report included two types of graduation rates, a federal graduation rate and a graduation success rate. The federal graduation rate uses methodologies established by the Department of Education, whereas the graduation success rate is an NCAA number. The NCAA includes adjustments for common occurrences in athletics that may adversely impact an institution's rate, such as years in which only one or two athletes in a class are eligible for graduation. Mr. Morgan reported that based on

the information that had been reviewed, the university appeared to be doing all that is appropriate to ensure those graduation rates meet or exceed the federal and NCAA rates.

President Smith invited President Reilly to comment. President Reilly thanked Chancellor Ward, Vice Chancellor Bazzell, and Athletic Director Alvarez. He noted that when he and Mr. Morgan first started talking with them about the Board's interest in a reporting framework, the response was immediately positive and cooperative. President Reilly supported Regent Bartell's suggestion for an executive summary and an evaluation identifying what is going well and what needs improvement. He said he looked forward to further dialogue in the future.

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## **REPORT OF THE PRESIDENT OF THE BOARD**

### ***Higher Educational Aids Board, Hospital Authority Board, and Wisconsin Technical College System Board Reports***

Wishing Mr. Alvarez good luck in the Rose Bowl on January 1<sup>st</sup>, President Smith began his regular report. The reports of the Higher Educational Aids Board, the Hospital Authority Board, and the Wisconsin Technical College System had been provided. There were no questions or comments.

### ***Mid-Year Commencement Ceremonies***

President Smith commented that about 10,000 students all around the UW System were expected to earn degrees in December. He observed that a number of Regents would be taking part in those ceremonies, including himself. He said that he looked forward to the opportunity and that it was a privilege to share in the excitement of the graduation ceremonies.

### ***Legislative Activity and Budget Discussions***

President Smith said that legislative activity and communications had continued since the election and since the last Board meeting. Both houses of the state Legislature had been busy electing leaders for the upcoming legislative session, appointing committee members, and holding legislative hearings.

At the same time, the Governor's office and the Department of Administration were in the midst of developing the 2013-15 biennial budget. Chancellors and Regents continued to engage in discussions with legislators, both in Madison and back in their districts, as well as with the Governor's office. President Smith said that university leaders and staff also had been actively participating in a number of legislative committee and council meetings, including the Governor's College and Workforce Readiness Council, the 2012 Commission on Financial Aid Consolidation and Modernization, and a number of Special Legislative Council study committees.

President Smith said that he, President Reilly, and Vice President Falbo were working to schedule face-to-face meetings with the newly-elected legislative leaders. These meetings would be used as opportunities to discuss ways to work collaboratively during the upcoming legislative session.

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## **REPORT OF THE PRESIDENT OF THE SYSTEM**

President Smith called upon President Reilly for his report.

### ***Compensation Planning, 2013-15***

President Reilly began by offering some thoughts about UW faculty and staff, who he said are “the heart and soul of the UW System.” He commented on recent efforts in Wisconsin and around the world to manage one of the deepest recessions in decades. In the UW System, employees – like other state employees – had a zero-percent pay plan for both 2009-11 and 2011-13, under two different state administrations struggling with a faltering economy. Prior to that, UW unclassified staff – all faculty and academic staff – received a one-percent pay plan increase in July 2008. The two-percent pay plan increase scheduled for June 2009 was rescinded for all employees except represented classified staff.

In addition, there were furloughs. The vast majority of UW employees – like other state employees – were required to take 16 mandatory unpaid furlough days over two years, ending in 2011, which resulted in a cut in compensation of just over three percent in each of the two years. When the furloughs expired, all UW employees were then required to make larger contributions toward the cost of benefits, again resulting in a reduction in take-home pay.

President Reilly said although this had not been easy, UW employees did what they were asked to do – sometimes with considerable personal sacrifice – while continuing to perform and achieve at high levels. He expressed pride in their dedication and said that these sacrifices played a real part in the state’s improved financial position.

Observing that the current landscape was looking more promising, President Reilly reported that in November the State Budget Director sent a memo to state agencies indicating that the state’s fiscal condition was significantly improved. The state of Wisconsin ended the 2011-12 fiscal year with a positive fund balance of \$342 million, and the gross balance for 2012-13 was projected to be \$348 million. Revenues were anticipated to grow 3.8 percent in 2013-14 and 3.5 percent in 2014-15, according to the Department of Administration (DOA).

Meanwhile, unemployment numbers for the state also were improving, according to the Bureau of Labor Statistics, dropping from 7.3 percent in September to 6.9 percent in October, an encouraging change from the peak of 9.2 percent in June 2009.

With this as background, President Reilly suggested that it might be an appropriate time for a reality check. The 2008 market downturn continued to affect the Wisconsin Retirement



System, requiring still another increase on January 1, 2013 in the benefit costs paid by faculty and staff, further reducing their take-home pay. The gap between UW employees' compensation and that of their peers has widened in recent years and continues to grow. President Reilly said that faculty salaries at UW System institutions had now fallen more than 18 percent below the national average.

Recognizing that such a sizeable gap cannot be closed in one budget cycle, President Reilly suggested that it would be appropriate to at least begin to mitigate the size of that gap, or the UW System would pay the price in lost talent and sliding reputation. President Reilly pointed out that an editorial in the November 18<sup>th</sup> edition of the *Wisconsin State Journal* said of the UW System, "They have sacrificed more and are going on four years without a raise. The state's improving budget and economy bode well for a bump... No operation – public or private – can keep its talent if compensation languishes for too long."

President Reilly mentioned efforts to gain greater authority for the Board of Regents to consider compensation matters. The proposed change was supported by the Legislative Task Force on the UW System, which included legislators in both houses and from both parties. There was clear recognition that the university operates differently from other state agencies, and in different markets. President Reilly said that if the System were to be successful in gaining this authority – this will be known at the end of the fiscal year -- the Board would have authority over the university's pay plan.

Given the uncertainty about the pending changes and the economy, it would be premature to propose specific pay plan numbers, President Reilly said. However, he emphasized that improved compensation for UW employees had been and would continue to be a very high priority for 2013-15 and beyond. This issue affects not only the System's 45,000 employees statewide, but also the ability of the UW System to fuel a stronger economy and high-quality education. He said that the UW System is only as good as the faculty and staff it attracts and retains.

Stressing the importance of restoring morale and confidence among faculty and staff, President Reilly said that it was important that the Board take a hard look at compensation once it is known whether the Board has full pay-plan authority. He expressed the intention to advocate in the meantime for a just and fair state pay plan.

President Reilly invited questions from Board members. Regent Higgins commented that in the past six months he had visited with representatives of the faculty at UW-Eau Claire, UW-Green Bay, UW-Oshkosh, UW-Parkside, UW-Platteville, UW-Stevens Point, UW-Stout and UW-Whitewater. He said that it was his universal experience that faculty continue to be proud of the System of which they are a part, although they express concern about the personal situations caused by the economic circumstances. Regent Higgins said that the faculty continued to do their very best with the limited resources provided; this is something of which to be proud. Regent Higgins agreed with President Reilly that closing the salary gap has to be one of the Board's first priorities.

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

President Reilly next shared news from around the UW System:

### **MOOC Development at UW-La Crosse**

In November the UW System announced that UW-La Crosse would lead the development of a new “massive open online course” (MOOC) at the developmental math level, with a \$50,000 grant from the Bill and Melinda Gates Foundation. President Reilly said that about one in five new freshmen in the UW System need some remedial math education when they enter college, and the new, free online course was designed to help them gain the necessary skills. In the three weeks since the announcement, more than 320 students registered; they were from more than half of the states and five foreign countries and ranged from an 11-year-old to people in their 80s. Math Professor Bob Hoar will lead the project.

### **UW-Green Bay Professor Named 2012 Wisconsin Professor of the Year**

President Reilly said that UW-Green Bay Professor Gregory Aldrete was named 2012 Wisconsin Professor of the Year, an honor bestowed by the Carnegie Foundation for the Advancement of Teaching and the Council for Advancement and Support of Education. Dr. Aldrete, the university’s Frankenthal Professor of History and Humanistic Studies, joined the faculty in 1995. He is an award-winning teacher, scholar, and author, whose areas of research interest include the social and economic history of the Roman Empire, rhetoric and oratory, military history, and urban problems in the ancient world. Dr. Aldrete is well known on campus for the hands-on ways he makes history come to life, including the Linothorax Project, which involves recreating an ancient linen armor from scratch, and then shooting arrows to test its durability. The six-year project has led to awards, national and international TV coverage, and a forthcoming book. President Reilly congratulated Professor Aldrete, as well as Chancellor Tom Harden and the UW-Green Bay campus community.

### **UW-Stout Receives Ann Lydecker Educational Diversity Award**

UW-Stout was recently honored by the state of Wisconsin for its efforts to blend diversity-based concepts into its curriculum in an attempt to increase the retention rate of a diverse student population. In a ceremony at the State Capitol, UW-Stout received the Ann Lydecker Educational Diversity Award, sponsored by the Wisconsin State Council on Affirmative Action. The project is administered by the UW-Stout Nakatani Teaching and Learning Center under Director Renee Howarton. President Reilly congratulated Chancellor Sorenson and the UW-Stout campus community.

### **Honors from Wisconsin Council of the Blind and Visually Impaired**

President Reilly reported that the UW System, the Wisconsin Technical College System, and La Crosse County were honored by the Wisconsin Council of the Blind and Visually Impaired for helping to pass Act 124, known as the “E-Text Bill.” This bipartisan legislation will help make instructional materials more accessible to blind and visually impaired students.

### **UW-La Crosse Physics Department Award for Improving Undergraduate Physics Education**

The UW-La Crosse Physics Department is due to be awarded the American Physical Society's 2013 Improving Undergraduate Physics Award. UW-L is one of only four universities nationwide to be recognized with this honor, along with Colorado School of Mines, Kettering University, and the Massachusetts Institute of Technology. President Reilly said that improvements to UW-L's physics program have resulted in a significant increase in the number of physics majors, bringing the undergraduate program from the brink of elimination to one of the largest physics departments in Wisconsin.

### **UW-Whitewater Student Presented with Student Innovator Award**

President Reilly noted that at UW-Whitewater, Andrew Hoeft, a senior entrepreneurship major from Onalaska, developed "Date Check Pro," an expiration-date management software that is the first of its kind on the market. Its benefits include reduced labor time, fewer expired products on the shelves, and increased customer satisfaction. He developed the product at the Innovation Center in Whitewater. The Collegiate Entrepreneurs Organization presented Mr. Hoeft with its first-ever Disruptive Student Innovator of the Year Award.

### **UW-Oshkosh Titans' Best Season in University's Football History**

The UW-Oshkosh Titans had the best season in the university's football history and were headed to the Division III Final Four in Minneapolis. President Reilly congratulated Head Coach Pat Cerroni, Chancellor Wells, and the UW-Oshkosh community.

### **WPT and WPR Collect Photos of Wisconsin Vietnam War Casualties and MIAs**

President Reilly reported that Wisconsin Public Television and Wisconsin Public Radio launched a new initiative, with the goal of inspiring Wisconsin residents to collect photos of all 1,244 Wisconsin service people who were killed or missing in action during the Vietnam War. Wisconsin Department of Veterans Affairs Secretary John Scocos welcomed Jan Scruggs, founder of the National Vietnam War Memorial and president of the Vietnam Veterans Memorial Fund, to a special media announcement at the Capitol. The event also included Lt. Gov. Rebecca Kleefisch and Vice President Michael Falbo. The photos collected will become part of the lasting tribute in the Education Center at The Wall in Washington, D.C., and in an online memorial.

### **UW-Madison Cooperative Institute for Meteorological Satellite Studies Tracks Hurricane Sandy**

President Reilly reported that when Hurricane Sandy struck, 20 scientists at the Cooperative Institute for Meteorological Satellite Studies on the UW-Madison campus assisted storm trackers in providing on-target forecasts that were vital for emergency planning and mitigating losses. They provided satellite images and detailed analysis of the significance of the images, helping the National Hurricane Center and the National Weather Service provide accurate forecasts.

President Reilly said that additional heartening news items from around the System would be posted in the day's news summary. He concluded by reading the winter-season poem, "Reluctance," by Robert Frost.

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## **REPORT AND APPROVAL OF ACTIONS TAKEN BY THE EDUCATION COMMITTEE**

President Smith noted that the written report of the Education Committee had been provided; he turned to Regent Millner, vice chair of the committee, for any additional comments.

### ***Committee Business***

Regent Millner described the annual report on the UW Madison School of Medicine and Public Health Wisconsin Partnership Program. The committee heard from Robert Golden, Dean of the UW School of Medicine and Public Health and Vice Chancellor for Medical Affairs. Dean Golden explained that the partnership creates bridges between public health practitioners, community leaders, and faculty across the UW System and throughout the state. Regent Millner said that the partnership program issued a total of 270 grants since its inception in 2004, totaling \$118.5 million. She commented that there might be merit in reviewing and altering the complicated governance structure of the partnership. She said that Dean Golden emphasized that good oversight would continue to be necessary, and he invited continuation of the Board's role, but he said that sun-setting the current structure after the next audit may work well.

A second focus of the Education Committee was the freshman enrollment limit included in the Board's freshman admissions policy. UW-Madison Provost DeLuca briefed the committee on UW-Madison's rationale for a small percentage increase in the nonresident enrollment limit from its current 25 percent. Provost DeLuca linked his presentation concerning the cap on nonresident enrollments to the central ideas articulated by Interim Chancellor Ward in his remarks to the full board the day before. In seeking to meet UW-Madison's "More Graduates" goal, Provost DeLuca emphasized that UW-Madison would have to sustain current levels of base-budget funding and could accomplish that through careful enrollment management.

Regent Millner said that there was consensus on the committee regarding the importance of admitting well-prepared applicants who are suited to the particular institution that they will be attending. The potential financial benefit of tuition revenue from nonresident students and the need for campuses to be flexible and nimble in managing their enrollments is an important component. Regent Millner said that UW-Madison would guarantee record-high Wisconsin freshman enrollment -- 3,500 in each incoming class -- by admitting approximately 200 more Wisconsin students than the historic average, even as the number of high school graduates is decreasing. The increase in Wisconsin students would be funded through revenues from nonresident students, who pay more than two times the resident tuition.

Regent Millner reported that a third focus of the committee was dual enrollment. Many Wisconsin students already have the benefit of taking classes at local colleges and universities and taking college-credit courses at their high schools. The question is how a greater number of students can benefit while assuring the quality of the education. Various funding sources and business models support the programs offered through UW institutions and the Wisconsin Technical College System. There was discussion about how to best leverage resources and work toward a business model that keeps costs low but does not make dual enrollment an unfunded mandate.

Regent Millner reported that the committee also discussed biennial sabbatical guidelines, which are reviewed every two years.

### ***Consent Agenda***

Regent Millner noted that along with the minutes of the October committee meeting, the Education Committee adopted Resolution 10141, which would approve an appointment to the UW School of Medicine and Public Health Oversight and Advisory Committee of the Wisconsin Partnership Program. She moved adoption of the resolution, which was seconded by Regent Drew and adopted on a unanimous voice vote.

#### **Wisconsin Partnership Program, University of Wisconsin School of Medicine and Public Health Oversight and Advisory Committee Appointment**

Resolution 10141: That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the appointment of Kenneth Taylor to the UW School of Medicine and Public Health Oversight and Advisory Committee of the Wisconsin Partnership Program for a four-year term through October 31, 2016, effective immediately.

Regent Millner next moved adoption of Resolution 10142, which would increase the limit on nonresident enrollment to 27.5 percent, saying that the Education Committee had unanimously approved the resolution, as amended by the committee. The motion was seconded by Regent Behling.

Regent Higgins then offered an amendment to the resolution, explaining that he had forgotten the day before to transfer the sentence related to Minnesota reciprocity from the current policy to the previously-amended resolution. Regent Bartell seconded Regent Higgins' motion, and the amendment was adopted on a unanimous voice vote.

President Smith invited discussion on the motion to revise the policy. Regent Drew said that UW System exists first and foremost for the benefit of Wisconsin residents, and he thought it was good to have a cap on nonresident enrollment. It serves to guard against the natural tendency to try and maximize revenue, and it provides a balance to the needs of in-state students. Some other Big Ten schools have a much higher out-of-state ratio, Regent Drew said. He said that he did not think that this was a good direction; he suggested that 27.5 percent was a

reasonable limit for out-of-state enrollment. He suggested that the System look closely at out-of-state tuition rates so that a data-driven decision can be made about whether to increase rates for international and other out-of-state students in the future.

President Smith called for a vote on Resolution 10142, and it was adopted on a unanimous voice vote.

**University of Wisconsin System Freshman Admissions Policy, Non-Resident Enrollment Limitation, Revision of Regent Policy Document 7-3, Section III**

Resolution 10142:     Whereas, citizens and elected officials statewide have raised concerns about the ability of Wisconsin students to be admitted at UW-Madison, steps need to be taken that will help more Wisconsin students attend UW-Madison; and

Whereas, the UW-Madison enrollment management plan creates more seats for Wisconsin students at UW-Madison, an increase can be ensured in Wisconsin freshman enrollments (3,500 in each incoming class) by admitting approximately 200 more Wisconsin students than the 2009-2012 average by allowing for a change in the percentage of non-resident students; and

Whereas, an increase in opportunity for Wisconsin students to attend the UW-Madison can be accomplished best through an enrollment management plan that increases the size of the incoming freshman class, including an increase in the number of Wisconsin freshmen, and a steady number of Wisconsin resident transfer students; and

Whereas, at a time when the number of students graduating from Wisconsin high schools is declining, a larger percentage of Wisconsin high school graduates can be assured of an opportunity to attend UW-Madison by increasing the size of the freshman class; and

Whereas, UW-Madison's overall enrollments are affected by a number of factors, including the institution's successful efforts to help more Wisconsin residents graduate faster; and

Whereas, an increase in access for Wisconsin residents can be substantially funded with revenues from non-resident students who pay more than two times the in-state tuition; and

Whereas, the UW-Madison plan is a balanced approach – one that provides both access for Wisconsin citizens and management flexibility for the institution;

Therefore, be it resolved that Regent Policy Document 7.3, “University of Wisconsin System Freshman Admission Policy,” Section III, “Non-Resident Enrollment” be amended to read:

Based on a three-year average, the non-resident undergraduate enrollment shall not exceed 27.5% of the total undergraduate enrollment at any UW institution. This limitation does not include Minnesota reciprocity students. Enrollments at UW-Madison will be reviewed annually to ensure that UW-Madison has operationalized the enrollment management plan that meets the goals of increasing the number of new Wisconsin freshmen admitted and enrolled relative to the 2009-2012 averages.

President Smith praised the work that had been done to get to a good result on the admissions-policy change.

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## **REPORT OF THE RESEARCH, ECONOMIC DEVELOPMENT & INNOVATION COMMITTEE**

President Smith noted that the written report of the Research, Economic Development, and Innovation (REDI) Committee had been provided, and he turned to Regent Bradley for any additional comments.

### ***Committee Business***

Regent Bradley noted that the committee was honored by the presence of two leaders from the Wisconsin Economic Development Corporation (WEDC). Reed Hall, the interim CEO of WEDC, spoke briefly about the value of the partnership between the UW System and WEDC. Regent Bradley said that Mr. Hall was a friend of the university, having been the former head of the Wisconsin Alumni Association and the long-time Executive Director of the Marshfield Clinic, which collaborated with the UW-Madison School of Public Health. He also had been active over the years, in his former capacity, with UW-Stevens Point, UW-Eau Claire, UW-Oshkosh, UW-Marshfield, UW-Wood County, and UW-Marathon. Regent Bradley commented that the UW System was fortunate to have Mr. Hall come out of retirement to head the WEDC and to be involved in the UW System-WEDC partnership.

Regent Bradley said that the REDI Committee had also heard from Lee Swindall, WEDC Vice President of Business and Industry Development, who spoke about WEDC’s industry-cluster focus, including examples that align with the expertise on UW campuses. Water-related processing equipment, energy, agriculture, medical devices, technology and workforce development are core and emerging industries in Wisconsin, industries in which WEDC expects to initiate strategic investments. He asked that the UW System take steps to create an “asset map,” a resource for business and industry showing where the expertise that can be applied to economic development exists within the UW System. UW System staff have already begun working on this, Regent Bradley reported.

Associate Vice President for Economic Development David Brukaradt gave the committee an overview of the Office of Economic Development's action plan of strategic initiatives designed to strengthen the relationship between the university and Wisconsin businesses. The plan is divided into three years, and some interesting developments are due in 2013, Regent Bradley said. Among these are completing an economic development study, launching an economic development web portal, identifying policy barriers to moving forward in the economic development area, and identifying campus economic development liaisons. Also due in 2013 is the expected development of a plan for how to put WiSys on an economically sustainable platform, as well as the development of a faculty awards concept to encourage economic development activities, including undergraduate research opportunities for students.

Regent Bradley reported that the committee also heard from UW-Madison Provost Paul DeLuca, who gave an overview of UW-Madison's research and economic development assets. While he emphasized the strength of UW-Madison's research discovery and licensing, he cited as a weakness a lack of "serial entrepreneurs" and said the university was taking additional steps to become a one-stop shop for more proactively transferring research results into the private sector.

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## **REPORT AND APPROVAL OF ACTIONS TAKEN BY THE BUSINESS, FINANCE & AUDIT COMMITTEE**

President Smith noted that the written report of the Business, Finance, and Audit Committee had been provided, and he turned to Regent Whitburn for any additional comments.

### ***Committee Business***

Regent Whitburn reported that the committee had a major agenda, approving and moving forward 11 different resolutions.

Regent Whitburn said that UW-Madison Vice Chancellor for Administration Darrell Bazzell outlined proposed modifications in the business guidelines related to the operation of the Fluno Center, changes necessary to enhance fiscal operations and provide new opportunities to serve alumni. The resolution would eliminate the prior specific requirement that 90 percent of overnight guests be enrolled in educational programs and would broaden and clarify exactly who would be able to use the facility.

Regent Whitburn said that Associate Vice President Al Crist briefed the committee on the need for updated salary ranges for the UW-Madison and UW-Eau Claire chancellors. Mr. Crist told the committee that chancellor searches were in progress at both institutions, and the ranges had not been updated since 2008. The committee approved the two new salary ranges for the two campuses in question. It also discussed establishing a process to update all of the ranges for which the Board has authority, to include addressing the frequency of updating the ranges, the role of foundation resources as part of compensation packages, and reexamination of the composition of peer groups.



Vice President Deborah Durcan reviewed gift, grant, and contract awards for the last quarter. Overall, there was a decline of \$82.4 million, much of it related to timing issues in the receipt of grants.

The committee also approved changes to several Regent Policy Documents related to the investment and administration of UW trust funds. The changes would reduce eight regent policy documents to two. The committee also approved changes to and reaffirmed the UW System trust funds investments policy statement.

Regent Whitburn reported that the committee approved a significant revision to Regent Policy Document 20-19, the UW System's criminal background check policy. The changes would toughen the policy, such that each UW institution would need to implement an amended policy by March 1; begin mandatory national background checks on all employees in a position of trust with respect to children, including existing employees; and conduct national background checks on all future new hires. New background checks will need to be performed every four years.

The committee discussed a draft Regent Policy Document that outlined the new UW travel program. The Board was granted oversight of university travel as part of Act 32, effective July 1, 2013. The draft policy called for a managed travel program for all UW System institutions and employees.

Finally, Regent Whitburn reported that Audit Director Elizabeth Dionne presented the Operations Review and Audit quarterly status update and an overview of proposed 2013 projects.

### ***Consent Agenda***

Regent Whitburn moved adoption of Resolutions 10143, 10144, 10145, 10146, 10147, 10148, and 10149, which had been approved by the committee. The motion was seconded by Regent Bartell and adopted on a unanimous voice vote.

### **UW-Madison Center for Advanced Studies in Business Guidelines for the Operation of the Fluno Center for Executive Education**

Resolution 10143: That, upon the recommendation of the Chancellor the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents adopts revised guidelines for the operation of the Fluno Center for Executive Education as follows:

1. The use of the residence rooms at the Fluno Center shall be restricted to individuals and groups enrolled in education programs at or in connection with the University, and alumni, donors, advisory board members, recruiters, University job candidates and special guests of the University sponsored by University departments and University-affiliated organizations.

2. The Fluno Center shall be operated in a manner consistent with the originally targeted room occupancy rate of 65% - 70% and will actively refer guests it cannot accommodate to other downtown Madison lodging.
3. The Dean of the Wisconsin School of Business shall annually provide a written report to the Chancellor of the University of Wisconsin-Madison on the adherence by the Center for Advanced Studies in Business (CASB) to these guidelines, including the occupancy rate of the Fluno Center's residence rooms, and on the Wisconsin School of Business' and CASB's key strategic initiatives as they relate to the operation of the Fluno Center. Following the Chancellor's acceptance of the annual report, the Dean of the Wisconsin School of Business will provide a copy of such report to the Greater Madison Hotel and Lodging Association (GMH&LA).

**Approval of Updated Salary Ranges for UW-Madison and UW-Eau Claire (Non-Doctoral) Chancellors**

Resolution 10144: WHEREAS the Board of Regents has two Chancellor searches underway, one at UW-Madison and one at UW-Eau Claire, with salary ranges that were last updated in 2008, and

WHEREAS the current ranges are not reflective of the current market and are, therefore, in need of being updated at this time to ensure competitiveness in these two searches.

NOW, THEREFORE, BE IT RESOLVED, That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the attached updated salary ranges effective July 1, 2013 for the UW-Madison and the UW-Eau Claire (Non-Doctoral) Chancellor positions, for which recruitments are underway.

**UW System Trust Funds Regent Policy Document Review Process: Rescission, Consolidation, and Modification of Regent Policy Documents 31-8, 31-9, and 31-14**

Resolution 10145: That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the attached revisions to Regent Policy Document 31-9, "Investment Policy Statement" and rescinds Regent Policy Documents 31-8, "Small Fraction Spending Plan (Endowment Reinvestment)" and 31-14, "Trust Fund Asset Allocation Policy."

### **UW System Trust Funds Regent Policy Document Review Process: Modification of Regent Policy Document 31-15**

Resolution 10146: That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the attached revisions to Regent Policy Document 31-15, “Policy on Quasi-Endowments University of Wisconsin System Trust Funds.”

### **UW System Trust Funds Regent Policy Document Review Process: Rescission of Regent Policy Document 31-4; and Removal of Regent Policy Documents 31-1, 31-11, and 31-12**

Resolution 10147: That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents rescinds Regent Policy Document 31-4 “Trust Fund Disbursement Certification” and removes from the collection of Regent policies Regent Policy Documents 31-1, “Investment of Cash Reserves”, 31-11, “University of Wisconsin System Custodial Services”, and 31-12 “Changes in Investment Custodial Services.”

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

Resolution 10148: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the recommended revisions to, and otherwise reaffirms its adoption of, the Investment Policy Statement for the University of Wisconsin System Trust Funds.

### **Regent Policy Document 20-19, University of Wisconsin System Criminal Background Check Policy**

Resolution 10149: That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the changes to Regent Policy Document 20-19, “University of Wisconsin System Criminal Background Check Policy” and directs each institution to implement an amended policy on or before March 1, 2013.

Regent Whitburn continued his report, saying that the committee also took up the University Personnel Systems, and Associate Vice President Crist had outlined the process used to obtain employee input into the process. Throughout the process the effort was collaborative between UW-Madison and the balance of the UW System. Regent Whitburn expressed thanks to Mr. Crist, along with Chancellor Shields and Vice Chancellor Bazzell, co-chairs of the UPS Task Force, for their time, commitment, and successful efforts on the project.

Regent Whitburn reported that Associate Vice President Crist reviewed the four resolutions included in the materials, and UW-Madison Director Robert Lavigna highlighted the UW-Madison Human Resources Design Strategic Plan. Regent Whitburn explained that for the first time the university would have an overarching policy that unifies the Board of Regents’ authority and responsibility for all members of the UW workforce; the new Regent Policy

Documents incorporate and acknowledge the essential role of the more than 12,000 classified staff, who will be called “university staff” in the future.

Regent Whitburn moved adoption of three additional resolutions which had been approved by the Business, Finance, and Audit Committee: Resolution 10150, related to university staff governance; Resolution 10151, related to the code of ethics for UW System employees; and Resolution 10152, related to technical statutory changes needed to accomplish the intent of s. 36.115, Wis. Stats. The motion was seconded by Regent Pointer and adopted on a unanimous voice vote.

### **Regent Policy Document University Staff Governance**

Resolution 10150: WHEREAS the 2011-13 biennial budget (2011 Wisconsin Act 32) created Wis. Stat. § 36.115, authorizing the Board of Regents and the Chancellor of UW-Madison to establish and implement two personnel systems, separate and distinct from the State personnel system under Chapter 230; and

WHEREAS “University Staff” are valued members of the university workforce who contribute in a broad array of positions in support of the University’s mission; and

WHEREAS for the first time the opportunity exists to establish personnel systems that recognize the value and importance that each member of the workforce contributes to the furtherance of the individual missions at each institution; and

WHEREAS faculty and academic staff have established governance rights; and

WHEREAS most of the UW System institutions have for years provided classified staff -- soon will all be “University Staff” -- with an active voice in institutional decision making over matters which impact them; and

WHEREAS pursuant to Wis. Stat. § 36.09(1), the Board of Regents is vested with the primary responsibility for the governance of the University of Wisconsin System,

NOW, THEREFORE, BE IT RESOLVED, That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves, effective July 1, 2013, the attached Regent Policy Document on University Staff Governance, which authorizes the “University Staff” of each UW System institution to structure themselves in such manner as they determine and to select representatives to participate in institutional governance.

## **Regent Policy Document Code of Ethics**

Resolution 10151: WHEREAS the 2011-13 biennial budget (2011 Wisconsin Act 32) created Wis. Stat. § 36.115, authorizing the Board of Regents and the Chancellor of UW-Madison to establish and implement two personnel systems separate and distinct from the State personnel system under Chapter 230; and

WHEREAS a single code of ethics for UW System employees is required by Wis. Stat. § 19.45(11)(b), for the guidance of all UW System employees, and

WHEREAS pursuant to Wis. Stat. § 36.09(1), the Board of Regents is vested with the primary responsibility for the governance of the University of Wisconsin System,

NOW, THEREFORE, BE IT RESOLVED, That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves, effective July 1, 2013, the attached Regent Policy Document on Code of Ethics, which confirms the continued application of Chapter UWS 8 Wis. Admin. Code, “Unclassified Staff Code of Ethics” for faculty, academic staff, and limited appointees, except those who are “state public officials” subject to Subchapter III of Wis. Stat. Chapter 19, and adds a university staff Code of Ethics closely modeled after ER-MRS 24, Wis. Admin. Code, which applies to Classified Staff in state agencies.

## **Endorsement of Technical Statutory Changes Needed to Accomplish the Intent of Wis. Stat. § 36.115**

Resolution 10152: WHEREAS the 2011-13 biennial budget (2011 Wisconsin Act 32) created Wis. Stat. § 36.115, authorizing the Board of Regents and the Chancellor of UW-Madison to establish and implement two personnel systems separate and distinct from the State personnel system under Chapter 230; and

WHEREAS pursuant to Wis. Stat. § 36.09(1), the Board of Regents is vested with the primary responsibility for the governance of the University of Wisconsin System,

NOW, THEREFORE, BE IT RESOLVED, That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the attached technical statutory changes, needed by July 1, 2013 to accomplish the intent of Wis. Stat. § 36.115, including:

- (1) changes that acknowledge that, beginning July 1, 2013, there no longer will be UW System employees designated as “classified” or “unclassified” staff;
- (2) creation of a new subchapter of Wis. Stat. Chapter 111, under which and the Board of Regents and the UW-Madison Chancellor will have administrative responsibility for labor relations for University Staff who no longer would be covered under the State Employment Labor Relations Act (SELRA); and
- (3) revisions to Wis. Stat. § 230.08, to identify UW System employees as employees of the State of Wisconsin, subject to the personnel systems required by Wis. Stat. § 36.115.

### ***Board’s Authority for University Personnel Systems***

Regent Whitburn next moved adoption of Resolution 10153, related to the Board’s authority to administer the new personnel systems. The motion was seconded by Regent Behling.

President Smith asked if there was discussion and then recognized Regent Drew, who spoke in opposition to the motion. He said that s. 36.115, Wis. Stats., authorized the Board of Regents and the UW-Madison chancellor to establish two personnel systems separate and distinct from the state personnel systems. Coupled with Act 10, this means that thousands of classified employees, previously covered by a collective bargaining agreement would now be subject to “the tender mercies” of the Board of Regents regarding conditions of employment. Collective bargaining is the proposition that workers, through their own democratic organizations, should have a voice in the workplace. Regent Drew said that the Governor and the Legislature had now spoken on that issue in regard to state employees, on all matters except wages.

Under s. 36.115 and Act 10, the Board has the power to unilaterally set policy. In the absence of collective bargaining, even a good employer like the UW is going to act in what it feels is its best interest, which may be in conflict with the interests of workers, he said. Regent Drew said that in a number of areas the proposal was not in the interest of either the employees or the UW System because, ultimately, if a proposal is not in the interest of the employees, it is detrimental to the institution.

Regent Drew raised concerns about the operational policies, saying that although there was an effort to engage people through surveys, websites, and work teams, these were an inadequate substitute for collective bargaining, where workers and managers sit down as equals and negotiate. Regent Drew said that the areas that he found most objectionable in the operational policies began with compensation. He noted, as an aside, that President Reilly had eloquently laid out the case for increased compensation for UW employees, and Regent Drew urged Board members to speak to their area legislators about that issue. He said that the document being considered listed four different tools and structures for determining

compensation: market, performance, internal equity, and cost of living. He said that, in his view, the policy should explicitly state that across-the-board raises for cost of living should be the first priority. Internal equity should be a second priority, and if there is money left over after that, market and performance could be considered.

Regent Drew said that in the area of seniority protection, the policy as proposed also fell short. Thousands of classified staff who had the certainty of seniority protection in layoff, recall, transfer and promotion would now be under a system where length of service is but one of multiple criteria used to determine layoffs. He said that he had never met a group of workers who did not feel that seniority was the only fair and objective way to determine ranking for layoff, recall, transfer, and promotion. He said that the policy should do the right thing and honor seniority.

In the area of grievance procedure, Regent Drew said that the policy also fell short. All grievances, not just those involving dismissal, discipline or layoff should be heard by an impartial arbitrator chosen from a Wisconsin Employment Relations Commission (WERC) panel, he said. Regent Drew said that it was unfair on its face to have a grievance procedure in which a manager can make a decision regarding working conditions, and the employee's only step in the grievance procedure is to deal with that very same manager. In addition, employees hired after July 1, 2013 should have the same grievance rights as current employees; also, there was no reason that the decision of an impartial arbitrator should be overturned by a chancellor.

Regent Drew closed by saying that he opposed the motion on the floor. He urged UW System Administration, the UW-Madison chancellor, and the other UW campuses to work with the various employee groups and organizations to implement and develop new policies in a manner that is fair and equitable to UW employees.

Regent Smith recognized Regent Evers, who also spoke in opposition to the proposal. He expressed appreciation for all of the hard work that went into developing the new personnel systems, and he said he did not want his comments to be taken as critical of those efforts. However, he said that he felt discomfort moving forward with the proposal, when some of the UW's hard-working and underpaid staff members feel disenfranchised. He said that he did not have any answers to his questions and concerns under the current circumstances, but when moving into a new area of flexibility and autonomy for the campuses, it is necessary to have "all hands on deck," and Regent Evers said that he was concerned that this was not the case.

President Smith acknowledged an individual who had approached the podium, seeking to speak. President Smith said that this was not a public hearing and testimony was not usually allowed. He suggested that, in the interest of fairness, if one person would like to speak on behalf of the group in the gallery, he would welcome this participation and would allow the individual to speak for three minutes.

The speaker introduced himself as Chad Goldberg, a tenured professor of sociology at UW-Madison, who had worked at UW-Madison since 2001. He said that he was also a faculty-staff alternate and was among the minority of faculty senators who voted against the revised Human Resources (HR) plan at a meeting of that group the previous Monday. He expressed

appreciation for the opportunity to explain why, saying that he was not given such an opportunity at the Faculty Senate meeting.

Professor Goldberg said that the revised HR plan included changes to address several concerns raised by faculty and campus unions. The changes represented significant improvements to the original plan and demonstrated the value of the Faculty Senate's one-month postponement in voting on the plan, as well as the value of shared governance. He said, however, that he could not in good conscience support the HR plan in its revised form, because one of its principle aims remained the enhancement of managerial flexibility. The flip-side of that flexibility would be an erosion of employee rights, protection, and job security that hamper managerial discretion.

Professor Goldberg said that the precise ways in which employee rights and protections would be eroded were described in a recently-issued joint-union statement on the HR plan, signed by the elected officers of several campus unions representing classified staff, graduate employees, academic staff, and faculty. Among other things, he said, campus unions called for a full, and not only partial, restoration of transfer rights, restoration rights, and seniority protections; a right to appeal personnel decisions to an independent third party, similar to how WERC now functions; pay plans that cover the current cost-of-living rates; internal equity across the board, before allocating funds for performance or merit pay; and a meet-and-confer process to supplement or replace collective bargaining rights that were weakened or eliminated by Act 10.

Saying that he was concerned about the issues, even though they affect other categories of employees more than him, Professor Goldberg expressed the belief that faculty should care about these issues because they bear directly on the academic and educational activities for which faculty are legally responsible. The success of these activities depends on the contributions, well-being, and morale of all university employees.

Professor Goldberg said that some of his colleagues argued in the Faculty Senate that greater managerial flexibility could benefit both faculty and staff, because it makes it easier to reward good performance and provide increased pay, at least for some. He said that this was true, and he did not doubt that his colleagues would use flexibility in that way; but greater freedom for a supervisor to treat staff better is not the same as a right to due process and fair treatment. Professor Goldberg said that he also was worried that the same drive for managerial flexibility used to justify the erosion of workplace rights and protections for staff could be used by hostile legislators to erode shared governance and academic freedom and tenure for faculty in the future.

The professor said that flexibility is not always bad, but it is dangerous. He said that he did not question the good intentions of the people who wrote the plan, including the chancellor and Mr. Lavigna, or of those who voted for it in the Faculty Senate. However, he said he was deeply concerned about the collateral damage that the plan was likely to cause.

Professor Goldberg said that nearly two years before, he had stood at the Capitol, shoulder to shoulder with other public employees, including graduate employees, academic staff



and classified staff from the university, chanting “shame” as legislators voted to strip them of their collective bargaining rights. He said that he could not now support a plan that would erode workplace rights and protections for many of those same people. Expressing his thanks for the opportunity to speak, Professor Goldberg said that he chose to exercise his right to dissent, and he urged Board members to do so also.

President Smith thanked him for his comments and asked if there was further discussion on the motion to adopt Resolution 10153. Hearing none, he called the question, and the motion was adopted on a voice vote.

### **Regent Policy Document University Personnel Systems**

Resolution 10153: WHEREAS the 2011-13 biennial budget (2011 Wisconsin Act 32) created Wis. Stat. § 36.115, authorizing the Board of Regents and the Chancellor of UW-Madison to establish and implement two personnel systems separate and distinct from the State personnel system under Chapter 230; and

WHEREAS the University Personnel System Project Team in UW System Administration and the HR Design Project Team in UW-Madison have worked collaboratively on the development of these two systems, one for UW-Madison and one for the balance of the UW-System, for over a year; and

WHEREAS the University Personnel Systems (UPS) Task Force appointed by the UW System President and the UPS Steering Group comprised of human resources professionals from across the UW System have guided and supported this collaborative development effort over the past year; and

WHEREAS pursuant to Wis. Stat. § 36.09(1), the Board of Regents is vested with the primary responsibility for the governance of the University of Wisconsin System,

NOW, THEREFORE, BE IT RESOLVED:

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents:

- (1) approves the attached Regent Policy Document on University Personnel Systems, which applies to all UW System institutions and their employees, effective July 1, 2013;
- (2) endorses the attached draft UPS Operating Policies for all UW System institutions except UW-Madison, effective July 1, 2013; and

- (3) authorizes the UW System President to submit this Regent Policy Document and attachments to the Joint Committee on Employment Relations for its consideration pursuant to Wis. Stat. § 36.115.

BE IT FURTHER RESOLVED that the Board of Regents authorizes the Secretary of the Board of Regents to remove from the Regent Policy Documents, effective July 1, 2013, the following policies:

- 6-1, Administrative Titles;
- 6-2, Administrative Salary Range;
- 20-1, System Sick Leave Policy for Faculty and Academic Staff;
- 20-3, Academic Staff Appointments;
- 20-4, Tuition Reimbursement to Unclassified Staff Members;
- 20-6, Policy on Non-Medical Leaves of Absence for Unclassified Staff;
- 20-8, Academic Staff Title and Compensation Plan;
- 20-10, Establishment of Annual Leave Reserve Accounts for Unclassified Staff Earning Vacation;
- 20-11, Establishment of Personal Holidays for Faculty, Academic Staff and Limited Appointees;
- 20-12, Distinguished Prefix for Certain Category B Titles;
- 20-13, Paid Annual Leave Options for Unclassified Staff;
- 20-15, Catastrophic Leave for Faculty and Academic Staff;
- 20-17, Selection, Training, and Evaluation of Teaching Assistants; and
- 20-18, Review of University Personnel Policies and Practices.

The resolutions that created each of these policies will remain in effect and will be incorporated into the UPS Operating Policies for all UW System institutions except UW-Madison, effective July 1, 2013.

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## **REPORT AND APPROVAL OF ACTIONS TAKEN BY THE CAPITAL PLANNING AND BUDGET COMMITTEE**

President Smith noted that the written report of the Capital Planning and Budget Committee had been provided, and he turned to Regent Bartell for any additional comments.

### ***Committee Business***

Regent Bartell briefly described the eight resolutions taken up by the committee. He then made two comments on them, saying first that the committee discussed a request, fairly common in the Capital Planning and Budget Committee, to increase the budget of a project. Such requests for increases occur because when a project is first enumerated, adequate information about the cost is not available. Rather, decisions are based on the best estimates available at the time. The process takes so long that things occur in the interim that cause the budget to change, usually not significantly, but generally in an upward direction. Regent Bartell explained that

little could be done about this. It is not feasible to wait for precise figures, because the enumeration process takes years to accomplish. It would be preferable to refine the numbers better at an earlier stage, but it is not likely to happen unless the UW System gains even greater flexibilities in the capital planning process.

Regent Bartell also commented on the proposed modification of the 2013-15 capital budget recommendation, offering the reasoning for the relatively unusual process. He said that, normally, additions are not made to capital budget requests after the budget has been approved by the Board. However, there are good reasons for doing so in the present instance, he said. The project was not a construction project but, rather, the refinancing of a project near the UW-Milwaukee campus.

Regent Bartell explained that in 2005, the Board leased the land to the Redevelopment Authority of the City of Milwaukee (RACM). The lease was a ground lease on a 66-year term, and the Board retained the title to the property. The property was developed using bonds that RACM obtained, and RACM leased the property back to UW-Milwaukee under an operating lease so that the university could operate the facility. Included were some retail, student housing, and some academic space. Under that lease the university had an option to purchase the facility.

Regent Bartell said that it did not make sense for the university to do so until the right factors were in place, one of which was that the value of the property exceeded the principal balance of the bonds. Everything was not yet in place when the Board approved the capital budget request in August 2012, but since that time an appraisal was done, the results of which indicated that the time was right for the purchase. Waiting would be more costly to the university, which would continue to pay the lease costs, while the equity value of the property would accrue to RACM rather than to the university.

Regent Bartell mentioned that the proposal was carefully reviewed before the committee meeting, and it was determined that an exception would be made this year, allowing the item to be added to the capital budget request.

### ***Consent Agenda***

Regent Bartell then moved adoption of Resolutions 10154, 10155, 10156, 10157, 10158, 10159, 10160 and 10161. The motion was seconded by Regent Whitburn and adopted on a unanimous voice vote.

### **Authority to Increase the Budget of the All Season Softball Practice Facility Project, UW-Madison**

Resolution 10154: That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the All Season Softball Practice Facility project by \$700,000 Gift Funds for a revised total project cost of \$3,525,000 Gift Funds.

**Authority to Petition for Annexation of 388 Acres Comprised of the Spooner Agricultural Research Station into the City of Spooner, Wisconsin, UW-Madison**

Resolution 10155: That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, authority be granted to petition for annexation of 388 acres comprised of the entire Spooner Agricultural Research Station into the city of Spooner, Wisconsin.

**Authority to Purchase Property Located at 3435 North Lake Drive, Milwaukee, from the University of Wisconsin-Milwaukee Real Estate Foundation, Inc., UW-Milwaukee**

Resolution 10156: That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, authority be granted to purchase a property, which is located at 3435 North Lake Drive, Milwaukee, from the UW-Milwaukee Real Estate Foundation, Inc. for a total cost not to exceed \$645,000.

**Approval of the Design Report of the Lincoln Hall Renovation Project and Authority to Increase the Budget and Construct the Project, UW-Oshkosh**

Resolution 10157: That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, the Design Report of the Lincoln Hall Renovation project be approved and authority be granted to increase the budget by \$424,000 Program Revenue Supported Borrowing and construct the project at a total cost of \$4,900,000 Program Revenue Supported Borrowing.

**Authority to Increase the Budget of the Ross and Hawkes Halls Renovation Project, UW-Superior**

Resolution 10158: That, upon the recommendation of the UW-Superior Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the Ross and Hawkes Halls Renovation project by \$1,079,000 Program Revenue Supported Borrowing for a total project cost of \$16,355,000 Program Revenue Supported Borrowing.

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

Resolution 10159: That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to construct various maintenance and repair projects at an estimated total cost of \$3,923,600 (\$3,495,500 Program Revenue Supported Borrowing; \$380,100 Rock County Cash; and \$48,000 Washington County Cash).

**Authority to Sell 2.93 Acres of Land and Buildings Located at 6101 Mineral Point Road, Madison, Wisconsin to University Research Park, UW-Madison**

Resolution 10160: That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, authority be granted to sell approximately 2.93 acres of land and buildings located at 6101 Mineral Point Road in Madison, Wisconsin (the former Wisconsin Veterinary Diagnostic Building) to University Research Park, LLC (URP) based on a value established by an independent appraisal less the cost of demolition.

**Authority to Seek Enumeration of an Additional 2013-15 Capital Budget Project, UW System**

Resolution 10161: That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to modify the 2013 Capital Budget recommendation previously submitted to the Department of Administration in September 2012, with the following additional request for enumeration:

UW-Milwaukee	1915 East Kenilworth Place Lease Buyout \$65,300,000 Program Revenue Supported Borrowing
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Concluding his report, Regent Bartell said that Associate Vice President David Miller gave an update on the Building Commission. The Commission had not met since September and would next meet on December 12, when it would consider the UW projects requested at the present Board meeting and the previous meeting.

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**RESOLUTION OF APPRECIATION TO UW-MADISON AS HOST OF THE DECEMBER MEETING**

President Smith called upon Regent Bartell to present the resolution of appreciation to UW-Madison for hosting the December meeting.

Before reading the resolution, Regent Bartell offered his personal expression of appreciation to UW-Madison. In reflecting on the university, he said that he recognized how significantly it had affected his life, even before he was born. He said that his dad was on the faculty at Madison for a while before entering a career in radio and television broadcasting. His mom was a member of what will be called “university staff.” They met here on campus at WHA Radio Hall and married shortly thereafter.

Regent Bartell said that he had spent virtually all of his life on or near the campus, as a toddler at the Memorial Union; at football games, concerts, and other events over time; and in

the Rathskeller in the late 50s, observing “beatniks.” He said he earned two degrees from Madison, an undergraduate degree in economics and a law degree. He met his wife on campus, and she has two degrees from UW-Madison. Regent Bartell said that shortly after he began his career as an assistant attorney general, he investigated the bombing of Sterling Hall. Throughout his career as a lawyer he kept in close touch with the campus, serving on committees and boards and raising money.

Regent Bartell remarked that he was unable to persuade any of his five children to attend UW-Madison as undergraduates, but two of them returned for graduate degrees. He said that UW-Madison had been very significant in his life, and he summarized by saying, “I am who I am because of UW-Madison,” and expressing his appreciation.

Regent Bartell then moved approval of Resolution 10162, which was seconded by Regent Millner and adopted by acclamation.

**Resolution of Appreciation to UW-Madison for Hosting the December Board of Regents Meeting**

Resolution 10162: WHEREAS, the members of the Board of Regents of the University of Wisconsin System are proud of the global impact and hometown influence of the University of Wisconsin-Madison; and

WHEREAS, for more than 160 years, UW-Madison has had a reputation of pushing the boundaries of what is known, and the limits of what is possible, and – to mark that pioneering spirit – is celebrating the Year of Innovation in 2012-13; and

WHEREAS, that innovative culture extends to providing a world-class classroom experience, one that the university is building on through its campuswide Educational Innovation initiative to promote widespread adoption of cutting-edge teaching and learning methods; and

WHEREAS, the university continues to expand the Wisconsin Idea by deploying problem-solving ideas, technologies and research to improve the lives of people in Wisconsin and around the globe; and

WHEREAS, the university is committed to using knowledge to power Wisconsin’s economy, with an annual economic impact estimated at \$12.4 billion and, along with its affiliated organizations and startup companies, supporting 128,146 jobs; and

WHEREAS, UW-Madison continues to be pre-eminent in its research mission, conducting more than \$1.1 billion worth of research in fiscal year 2011 in the sciences, arts and humanities;

BE IT THEREFORE RESOLVED THAT the Board of Regents hereby thanks Interim Chancellor David Ward, Provost Paul M. DeLuca Jr., and

all of their colleagues for building on the university's well-deserved reputation of excellence in teaching, research and outreach that benefits the world, and for extending the campus's hospitality as they hosted the December 2012 board meeting.

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The meeting recessed at approximately 11 a.m. and reconvened at 11:20 a.m. in the Northwoods Room at Union South, UW-Madison.

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## **CLOSED SESSION**

President Smith called upon Regent Falbo to present Resolution 10163 to move into closed session. The motion was seconded by Regent Behling and adopted on a roll-call vote, with Regents Bartell, Behling, Bradley, Drew, Evers, Falbo, Higgins, Hribar, Millner, Pointer, Pruitt, Roberts, Smith, Tyler, Walsh, and Whitburn voting in the affirmative. There were no dissenting votes and no abstentions.

### **Closed Session Resolution**

Resolution 10163: That the Board of Regents move into closed session to consider a UW-Madison salary offer, as permitted by s. 19.85(1)(c), Wis. Stats.; to consider a UW-Madison personnel matter, as permitted by s. 19.85(1)(c), (e), and (f) Wis. Stats.; and to confer with legal counsel regarding pending or potential litigation, as permitted by s. 19.85(1)(g), Wis. Stats.

The following resolution was approved during the closed session:

### **Approval of Salary: Dean of the College of Engineering, University of Wisconsin-Madison**

Resolution 10164: That, upon recommendation of the President of the University of Wisconsin System and the University of Wisconsin-Madison Chancellor, the annual salary for Ian McLean Robertson, as the new Dean of the College of Engineering, University of Wisconsin-Madison, be \$340,000, effective March 1, 2013.

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The meeting was adjourned at 1:10 p.m.

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Submitted by:

/s/ Jane S. Radue

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