

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in the Wisconsin Room
UW-Milwaukee Union
University of Wisconsin-Milwaukee
Milwaukee, Wisconsin

Thursday, June 7, 2012
9:00 a.m.

INTRODUCTIONS..... 3

WELCOME TO NEW REGENTS 3

Regent John Behling..... 4

Regent Regina Millner..... 4

Regent Tracy Hribar 5

OTHER INTRODUCTIONS 6

PRESENTATION BY CHANCELLOR MICHAEL LOVELL: “UW-MILWAUKEE: BUILDING A BETTER WISCONSIN” 7

 UWM SCHOOL OF FRESHWATER SCIENCES 7

 UWM CAPITAL PROJECTS 8

 JOSEPH J. ZILBER SCHOOL OF PUBLIC HEALTH 9

 MARY ANN WRIGHT, VICE PRESIDENT, GLOBAL TECHNOLOGY & INNOVATION POWER SOLUTIONS, JOHNSON CONTROLS, INC. 10

 DEAN AMHAUS, EXECUTIVE DIRECTOR, MILWAUKEE WATER COUNCIL..... 12

 VALUING UWM EMPLOYEES..... 13

 REGENT DISCUSSION..... 15

PRESENTATION, BOARD DISCUSSION & APPROVAL: UW SYSTEM 2012-13 ANNUAL OPERATING BUDGET AND TUITION & FEE SCHEDULES 16

 OVERVIEW OF ANNUAL OPERATING BUDGET 17

 REGENT DISCUSSION..... 20

2012-13 Operating Budget including Rates for Academic Tuition, Segregated Fees, Textbook Rental, and Room and Board; Academic Tuition Refund Policy and Schedule; and Annual Distribution Adjustments 34

PRESENTATION, BOARD DISCUSSION & APPROVAL: RECOMMENDATION ON FINANCIAL AID FOR THE 2013-15 BIENNIUM 34

Financial Aid: 2013-15 WHEG Funding Recommendation 37

RECOGNITION OF REGENT EMERITA JUDITH CRAIN’S SERVICE ON THE BOARD 38

Resolution of Appreciation to Regent Emerita Judith Crain 40

RECOGNITION OF REGENT EMERITUS MICHAEL SPECTOR’S SERVICE ON THE BOARD 44

Resolution of Appreciation to Regent Emeritus Michael Spector 46

PRESENTATION OF 2012 ACADEMIC STAFF EXCELLENCE AWARDS..... 49
INTRODUCTION49
INDIVIDUAL AWARD – DENISE EHLEN, DIRECTOR OF RESEARCH & SPONSORED PROGRAMS AT UW-WHITewater.....49
INDIVIDUAL AWARD – DONNA WEBER, DIRECTOR OF HUMAN RESOURCES, UW-EAU CLAIRE50
PROGRAM AWARD – UW-PLATTEVILLE WRITING CENTER, EVELYN MARTENS, DIRECTOR.....51

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in the Wisconsin Room
UW-Milwaukee Union
University of Wisconsin-Milwaukee
Milwaukee, Wisconsin

Thursday, June 7, 2012
9:00 a.m.

-Vice President Smith Presiding-

President Spector's term on the Board of Regents having expired on May 1, 2012, Vice President Smith presided over the Board's June meeting.

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

- - -

INTRODUCTIONS

Vice President Smith greeted Board members and others present at the meeting. On behalf of the Board, he also expressed appreciation to Chancellor Lovell and his staff for the warm welcome that morning and the previous evening. He stated that the prior day's groundbreaking at the School of Freshwater Sciences showed that there was a lot going on at UW-Milwaukee, and the Board looked forward to seeing and hearing more about that in the upcoming days.

Welcome to New Regents

Vice President Smith officially welcomed three new Board members, Regent John Behling from Eau Claire, Regent Regina Millner from Madison, and student-Regent Tracy Hribar from Franksville.

Regent John Behling

Vice President Smith noted that Regent Behling is the Vice President of Weld, Riley, Prens and Ricci law firm of Eau Claire, advising on regulatory, environmental, zoning, permitting, and public relations matters, as well as providing advice to local government leaders. He stated that Regent Behling previously served as an aide to Governor Tommy Thompson in Washington, D.C. and in Madison, currently serves on the Board of Directors of Sacred Heart Hospital Foundation, and is a member of the Eau Claire Chamber of Commerce. Regent Behling graduated from the University of Wisconsin with a Bachelors of Science in Political Science and Economics, attended Georgetown University, and earned his law degree from the University of Wisconsin Law School. Vice President Smith invited Regent Behling to address the Board.

Regent Behling stated that he would briefly mention some things that his professional biography did not include. He referred to himself as a farm kid from western Wisconsin, the youngest of nine children, and a two-time University of Wisconsin graduate. He has two teenage daughters who are beginning to look at University of Wisconsin schools, and he said that serving on the Board would provide a unique perspective. He also noted that he spent ten years working in the Thompson administration and had been working in private practice for ten years.

Regent Behling stated that he had previously worked with many of the Regents in other capacities. He noted that one never forgets who gave them their first job after graduating from the UW, and for him, that person was seated nearby, former Secretary and now Regent Jerry Whitburn. Regent Behling said that it was a pleasure to meet those he had not yet worked with, and good to be back among some friends and respected colleagues again.

Regent Regina Millner

Vice President Smith thanked Regent Behling for his remarks, and then introduced Regent Millner. He indicated that Regent Millner had been involved in commercial real estate for more than 30 years as a lawyer, consultant, appraiser, and broker. He stated that during that time, she founded two consulting companies and worked with public and private sector clients on a variety of complex real estate projects. He said that Regent Millner had been active in the Madison community and had chaired the boards of numerous organizations, including the Rotary Club of Madison, the Wisconsin Alumni Association, and the Madison Children's Museum. He noted that Regent Millner currently served on the Chazen Art Museum Council and the Wisconsin Museum Task Force. She has a law degree from the UW Law School, a Master of Science degree in Real Estate and Urban Land Economics from the UW-Madison School of Business, and an undergraduate degree from the University of Nebraska-Lincoln. Vice President Smith then invited Regent Millner to say a few words.

Regent Millner thanked Vice President Smith and stated that she was honored to be part of the Board of Regents. While serving on the Board is a responsibility and a challenge, she said she appreciated being part of the Board as it looks forward to the future. Regent Millner also thanked Governor Walker for nominating her and giving her the opportunity to serve such a fine institution.

Regent Millner stated that Wisconsin became her home when she moved to Madison in 1975, and it had been her home of choice for more than 35 years. She explained that this was significant as she was raised in a military family and lived in ten states and two countries in the years before she came to Madison, so her geographic experience has been broad. She said that while her links to the System were through UW-Madison, she was in the process of extending those links to the other comprehensive campuses and colleges throughout the System. She noted that she had already had the opportunity to visit two of the campuses and looked forward to visiting the remaining campuses in the coming year.

Regent Millner concluded by sharing a story. She said that when she moved to Wisconsin in 1975, she was a stay-at-home mom with three active young sons and did not pay close attention to what was going on in politics or the city, as she was focused on what she was doing at home. However, she saw a newspaper article about a woman who was serving on the Board of Regents at that time, Regent Joyce Erdman. Regent Millner stated that she had enormous respect for Regent Erdman's contributions to the Board, and that if she could succeed in doing just a fraction of the fine things that Regent Erdman did for the System, she would be very proud.

Regent Tracy Hribar

Vice President Smith thanked Regent Millner for her comments, and then introduced Regent Hribar, the Board's new nontraditional-student-Regent. He stated that Regent Hribar had been the business manager for James Hribar Trucking, a family business located in Raymond, Wisconsin, since 1996. She received her Associate of Science Degree in Accounting from Milwaukee Area Technical College in 1984 and returned to school in January 2011 to pursue a double major in Economics and Business Management, with a finance concentration at UW-Parkside, with plans to complete a Bachelor of Science degree in May 2014.

Regent Hribar greeted the Regents and said that she decided to return to school when her youngest child started driving, after spending many years raising her children. She stated that she was a lifelong Wisconsin resident of the small township of Raymond, located just inside Racine County. She said that she subscribes to both the *Milwaukee Journal Sentinel* and the *Racine Journal Times* and feels a part of both communities. Regent Hribar said that she felt very lucky to be able to return to school. She explained that as a returning student she has a different perspective, and loves taking classes. She said that, as a huge fan of the UW System, she felt honored to be able to serve as a Regent and help the UW System.

Regent Hribar noted that her two oldest children are graduates of UW-Platteville, where they had a great time and received a great education; more importantly, from a parent's perspective, she said, they were now self-supporting. Regent Hribar explained that both she and her third child just finished their sophomore years of college, with her daughter pursuing a degree in Civil Engineering from UW-Madison. Regent Hribar went on to say that her youngest child is a junior at Waterford Union High School, and she hoped that her fourth child, too, would consider a UW System school. Regent Hribar thanked the Governor for appointing her, and said she was looking forward to her tenure.

Vice President Smith thanked Regent Hribar for her remarks, and again welcomed all three of the new Regents. He said that he and all of the other Regents looked forward to working with them and getting to know them better in the years ahead.

Other Introductions

Vice President Smith turned to President Reilly for several other introductions. President Reilly also welcomed the three new Regents. He then acknowledged several other individuals, noting that they were all familiar faces, but in new positions. He started by congratulating Faith Hensrud, a long-time faculty member and academic leader at UW-Superior, who was recently named the new Provost and Vice Chancellor for Academic Affairs.

President Reilly also noted that Pat Kleine, UW-Eau Claire Provost, had been serving as the Officer-in-Charge at UW-Eau Claire since former Chancellor Brian Levin-Stankevich was appointed President of West Minster College in Utah. He wished Dr. Kleine well, and noted that she graciously agreed to serve as the Officer-in-Charge until Interim Chancellor Gilles Bousquet arrives in July.

President Reilly also acknowledged and welcomed Mary Hopkins-Best, UW-Stout's Dean of the College of Education, Health and Human Services for her recent appointment as Interim Provost at UW-Stout. He noted that Dr. Hopkins-Best would start as Interim Provost on July 1, and serve until a permanent Provost is hired, hopefully at the start of the next academic year.

In addition, President Reilly officially welcomed Mark Nook as the UW System's Senior Vice President for Academic and Student Affairs. He expressed his appreciation for Senior Vice President Nook's willingness to accept the permanent position after serving in an interim capacity.

Finally, President Reilly welcomed a special international guest, Dr. Ahmed M. Al Kindi, Dean of the College of Economics, Management and Information Systems at the University of Nizwa in the country of Oman. Three of the UW System institutions, UW-Oshkosh, UW-Madison, and UW-Platteville, have a special relationship with the University of Nizwa. President Reilly, along with Chancellor Rick Wells and Senior Special Assistant Tom Grogan of UW-Oshkosh, had the opportunity to visit the University of Nizwa this past February. He noted that 85 percent of the students at the University of Nizwa in Oman are women, and the campus is growing by leaps and bounds. President Reilly said that Dean Al Kindi and a number of his students would be traveling to a number of the UW campuses, and he thanked Dean Al Kindi for attending the Board of Regents meeting.

PRESENTATION BY CHANCELLOR MICHAEL LOVELL: “UW-MILWAUKEE: BUILDING A BETTER WISCONSIN”

Before moving on to the first item of business, Vice President Smith said he wanted to congratulate Governor Walker on his victory in the historic recall election earlier in the week. He said that he and others looked forward to continuing to work with Governor Walker and his administration. Vice President Smith also congratulated the four state senators and state senators-elect on their recent electoral victories.

Chancellor Lovell greeted the Regents and others and welcomed everyone to the University of Wisconsin-Milwaukee (UWM) and the city of Milwaukee. He noted that the theme of this year’s Board of Regents meeting at UWM was “Building a Better Wisconsin,” which is all about the three “P’s,” places, programs, and people.

Chancellor Lovell provided a review of the meeting’s activities that showed how UWM was trying to “Build a Better Wisconsin.” He noted that the previous evening, many of those present at the meeting attended the groundbreaking ceremony for the School of Freshwater Sciences. He said that later that afternoon, Vice Chancellor Christy Brown would make a presentation to the joint meeting of the Capital Planning and Budget Committee and the Business, Finance, and Audit Committee on construction planned and underway at UWM. Later that evening, UWM would celebrate the dedication of the Zilber School of Public Health. Chancellor Lovell added that at the Friday-morning portion of the meeting, David Gilbert from the UWM Foundation and Brian Thompson from the UWM Real Estate Foundation would make a presentation to the Research, Economic Development, and Innovation Committee.

Regarding the “places” portion of “Build a Better Wisconsin,” Chancellor Lovell noted that the capital projects underway on the UWM campus totaled \$300 million, which compares to \$320 million in capital projects at UWM during the last 22 years. He said that the physical infrastructure of the campus was changing faster than ever. He then introduced a short video from the previous evening’s groundbreaking ceremony for the School of Freshwater Sciences.

UWM School of Freshwater Sciences

Following the video, Chancellor Lovell noted that the previous day had been an historic day for the campus, the city, and the state. He then introduced David Garman, founding Dean of the School of Freshwater Sciences. He said that Dr. Garman was the past President of the International Water Association, was considered one of top experts in the world on clean water management, and is known internationally. He said that UWM was very fortunate to have attracted Dr. Garman from Australia, and invited him to the podium.

Dean Garman thanked Chancellor Lovell, saying that at last year’s Regent meeting at UWM, the Regents asked for a fish fry, so this year, at the groundbreaking ceremony the previous evening, UWM gave the Regents a fish fry. He joked that the Regents ate UWM’s research. Dean Garman began his presentation by explaining that the new Freshwater Sciences building would be home to the Great Lakes Genomic Center, the nation’s first research center dedicated to the application of groundbreaking genomic and molecular tools to issues of

freshwater sciences. He stated that these technologies are the same used in medical research, but would result in safer water and safer beaches. He added that the center would develop new technologies that would revolutionize the treatment and management of water systems. Dean Garman noted that the Milwaukee Metropolitan Sewerage District recently committed \$1 million dollars over the next five years to participate in these research activities, and additional partnerships with international companies were expected within the next few months.

Dean Garman explained that a high-level security suite at the building would enable researchers to study pathogens and diseases that attack fish in the Great Lakes system and around the world. He said that the combination of quarantine-pathogen aquaculture-testing facilities linked together will be the most integrated and advanced in North America. He noted that UWM would be expanding its aquaculture facilities to include a partnership with USDA to include producing organic food for fish and new methods of disease control.

Dean Garman stated that the facility's water technology and engineering suite would bring together researchers from all over the campus, while the atmospheric science suite would incorporate modeling of climate change, ecosystem dynamics and urban storm water management. He noted that in the area of urban storm water management, the potential liabilities around the U.S. totaled in excess of several hundred million dollars, and anything that UWM contributes in the way of research would be significant. He also noted that UWM's Center for Water Policy, and the Center's new endowed chair, would link excellence in science, economics, and sociology for the development of productive water policies for the future.

Dean Garman said that the building would help UWM to revolutionize water research by attracting the best researchers and preparing the best students, enable UWM to reach out to other colleges in the UW System, and forge new international links. In addition, he also noted that UWM is moving into the next phase of securing and building the most sophisticated research vessel and floating laboratory on the Great Lakes. He said that the new building was the catalyst for Milwaukee's assuming a lead role for water research in Wisconsin and the world.

UWM Capital Projects

Chancellor Lovell thanked Dean Garman and, referring again to the \$300 million in capital projects at UWM, Chancellor Lovell offered a brief update on what had happened since June 2011. He started by explaining that UWM could not advance capital projects without a lot of help and coordination from the state Department of Administration; the state Building Commission; and in particular, UW System Associate Vice President David Miller. He then provided an update on several capital projects:

- The Kenwood Interdisciplinary Research Complex is a \$75 million building that will help to transform the sciences on the UWM campus. The groundbreaking for the project will occur in December.
- The Northwest Quadrant, the old St. Mary's Hospital, which was purchased a year ago last December, is now occupied by 500 faculty staff offices and UWM's Honors College. The UWM Children's Center and the College of Health Sciences would also be moving

to this facility. A \$2.4 million grant from the UW System will allow for state-of-the-art classrooms for the School of Education in the Northwest Quadrant.

- The Innovation Park project's first building, funded by a \$5.4 million grant from the Economic Development Administration, will open next spring with up to 14 faculty co-locating there with staff from the Medical Center. In addition, the construction of roads around the project will begin this summer.
- The Cozzens and Cudahy Research Center, which is the former Marquette Electronics Research Facility north of campus, was gifted by Michael Cudahy to the UWM Foundation earlier this year. This facility will allow UWM to expand its research and outreach efforts.
- The Joseph J. Zilber School of Public Health would be dedicated later in the day.

Joseph J. Zilber School of Public Health

Chancellor Lovell then invited Dr. Magda Peck, founding Dean of the Joseph J. Zilber School of Public Health, to the podium. He noted that Dr. Peck is a national leader in women's health issues and helped form the School of Public Health at the University of Nebraska. He said that when he was in Washington, D.C. in October, several Capitol Hill staff members congratulated him on the hiring of Dr. Peck, as she had been so important in writing much of the U.S. policy in areas related to public health. He added that she has been described as a national force in public health. Noting that Dr. Peck was "a real fireball," who would be a driving force in Milwaukee and in the state, he turned the presentation over to Dr. Peck.

Dean Peck greeted meeting attendees and said that the Joseph J. Zilber School of Public Health, which the Board of Regents made possible, was on a mission to conduct rigorous public health research and scholarship, educate the current and future public health workforce, and influence the development of strategies and policies to promote health among diverse populations. She said that at the School of Public Health, UWM has the capacity to create the science, educate people, and influence policies so that people in Milwaukee, across the state and nation, and throughout the world can be healthy in every way and across generations. She added that this means creating equal chances and fullest choices for people living healthy, well, and long.

Dean Peck explained the significance of having a dedicated building for the School of Public Health. She stated that the School of Public Health would have a presence throughout the campus, including environmental health labs at the new Kenwood Interdisciplinary Research Center and partnerships with the School of Freshwater Sciences, and that it already had a presence in the Northwest Quadrant. However, by providing a building, a home for the School of Public Health, she explained that the Regents have enabled UWM to create a new generation school of public health. UWM will be able to recruit, co-locate, support, and sustain the best and brightest individuals who will come to UWM to solve the most intractable and difficult public health issues. She said that UWM will foster innovations and inquiry and will ask and answer

hard questions regarding chronic disease prevention, genomics, and unconscionable health disparities.

Dean Peck stated that UWM would be a portal for the UW System in downtown Milwaukee. By locating the School of Public Health off-campus, UWM will become an even better neighbor to the city of Milwaukee and the rest of the state. She said that the School of Public Health will not only be a “think tank,” but also a “do tank,” translating what it learns into measurable results.

Dean Peck concluded by stating that UWM was on a mission, and the Regents had given the campus the stimulus to make the mission possible. She invited the Regents to join her for the building dedication that evening, and to learn more about where UWM will incubate the best ideas that lead to results for the healthiest city and state in the nation. She closed by thanking the Regents for the opportunity they provided.

Chancellor Lovell thanked Dean Peck. He stated that as she pointed out, buildings and places have no value without strong and relevant programs. He indicated that he wanted to talk about UWM’s programs and how much UWM values being relevant. As a university, UWM wants to ensure that it is adding value to the state of Wisconsin by providing a skilled workforce that will drive the economy for decades to come. He added that UWM also wants to prepare students to always add value to society and give them the tools they need to easily find a job, immediately upon graduation and in the years that follow.

Mary Ann Wright, Vice President, Global Technology & Innovation Power Solutions, Johnson Controls, Inc.

Chancellor Lovell said that UWM has focused on aligning and developing its new academic programs, and realigning its existing programs, with key stakeholders in the state, most of which are located in UWM’s backyard. UWM has worked closely with a number of organizations, including We Energies, Rockwell Automation, Harley Davidson, Manpower, Inc., the Milwaukee Regional Medical Center, Kohl’s, Aurora, and others to develop programs that are immediately adding value to the organizations UWM is trying to serve.

Chancellor Lovell said that two of UWM’s partners had graciously stepped forward to talk about how they were working with UWM, the impact that UWM was having, and what they were trying to accomplish. He recalled that prior to his arrival in Milwaukee in 2008 he had been working closely with the Department of Energy and knew how well positioned Johnson Controls was to become an international leader in the energy field. He stated that he met with Johnson Controls on his second day of employment in Milwaukee and felt lucky to have met Mary Ann Wright, as she is a visionary leader who understands the value of a long-term partnership with UWM. He stated that Johnson Controls is the world leader in lead acid batteries, but Ms. Wright wanted to ensure that the company was also the leader in lithium ion batteries and whatever the next breakthrough technologies might be, for decades to come.

Chancellor Lovell stated that he and Ms. Wright shared a common vision to make Milwaukee and the state of Wisconsin an international leader in energy storage and batteries. He

added that over the last four years, they had developed an ideal partnership in which both Johnson Controls and the UW System are getting a great competitive advantage.

Chancellor Lovell explained that it was an ideal partnership from UWM's perspective because there are ten Johnson Controls scientists currently housed in UWM's School of Engineering, working side-by-side with UWM researchers in labs and providing key innovative collaborators for UWM faculty. In addition, Johnson Controls has endowed the first UW System chair to bring in an international, leading researcher in battery technology that will help the state's research efforts move forward.

Chancellor Lovell stated that students are greatly benefiting from the partnership because it provides UWM with unprecedented research and teaching facilities. He noted that Johnson Controls has put in a "dry room," which is a state-of-the-art battery-testing and prototyping facility and the only "dry room" in an academic institution in the country. He explained that UWM students are trained in the lab, and UWM researchers are getting a competitive advantage in federal grants because of the investment that Johnson Controls is making at UWM. He also stated that Johnson Controls scientists who have adjunct appointments with the UWM Engineering School are providing mentorships and other teaching opportunities for students to ensure that when they graduate, they have skill sets that put them ahead of the field. He concluded by stating that it was his pleasure to introduce Mary Ann Wright to describe the Johnson Controls partnership with UWM.

Ms. Wright greeted the Regents and stated that Johnson Controls has had a longstanding relationship with the University of Wisconsin in Madison and in Milwaukee, but they now have a partnership because Chancellor Lovell came to UWM. She said that the initial meeting that she and Chancellor Lovell had started the journey of bringing resources together to create an academic and industrial powerhouse, to make Wisconsin a leader in research and development, talent development, and commercialization for the next generation of energy storage.

Ms. Wright said that during the past four years, they had been building a partnership that includes both UWM and UW-Madison, and have been careful to make sure that they were bridging the campuses to take advantage of the resources and the capabilities to make Wisconsin stronger. She explained that in addition to endowing a chair and putting labs on campus, including the "dry room" manufacturing lab, which will help to recruit a world-class chair for the position, they have also made significant investments in research projects that are student- and faculty-led. She added that students and faculty are closely collaborating with Johnson Controls scientists because they live and work side by side with UWM students and faculty. She said that Johnson Controls had made a multi-million dollar investment in the partnership, and the labs in the Engineering School are a part of that investment.

Ms. Wright explained that the faculty working with Johnson Controls scientists have access to the company's facilities and capabilities. They troubleshoot, consider how things are done in the corporate world, and take that knowledge back to the university.

She noted that UWM is also a partner on some of the company's Department of Energy research and development grants, which is important for the company as it establishes a

leadership position in advanced energy storage research and development. She said that Johnson Controls is in the final planning stages for labs at UW-Madison that will be housed at the Wisconsin Energy Institute. Ms. Wright thanked Paul Percy, Dean of UW-Madison's College of Engineering, for his extraordinary leadership in helping to architect the relationship and collaboration between Johnson Controls, UW-Madison, and UW-Milwaukee.

Ms. Wright explained that Johnson Controls' decision to endow a chair and build labs at UWM and UW-Madison was not a gift, but an investment. She said that Chancellor Lovell allows her to make investments to establish a world-class talent pipeline and build Johnson Controls' reputation as technology leaders in the region. However, she said the company also expects to have significant technology breakthroughs because they believe that great science, great ideas, and good commercialization will come out of the university.

Ms. Wright stated that while Johnson Controls had placed a lot of focus on innovation and the development of next-generation energy storage solutions, the company realized that it is important to also develop the next-generation talent pipeline by making these investments in students. Ms. Wright stated that Johnson Controls has established research fellowships at both UW-Milwaukee and UW-Madison, with the understanding that the two institutions must collaborate. She stated that she, Chancellor Lovell, and Dean Percy were committed to establishing a leading center of excellence for energy storage research and development, focusing on the discovery, development, and commercialization of advanced energy storage solutions.

Ms. Wright stated that the collaboration between Johnson Controls and the state's premiere research universities would drive critical innovation. She said that when a leading company like Johnson Controls and top educational institutions like UW-Madison and UW-Milwaukee get together, only great things are going to happen. Ms. Wright concluded by introducing a video that provided a "sneak peak" into the great work that was occurring in the Johnson Controls "dry room" labs on the UWM campus.

Dean Amhaus, Executive Director, Milwaukee Water Council

Following the video, Chancellor Lovell returned to the podium to thank Ms. Wright and Johnson Controls for their investment in UWM and the UW System. He then noted that the prior day, he and others broke ground on what he believes will become the best freshwater research educational facility in the world. He noted that one of the speakers at the groundbreaking ceremony said that the facility would be transformational for UWM, the city, and the state, allowing UWM to play a leading role in ensuring that Milwaukee, alongside Singapore and Copenhagen, will be an international hub for freshwater science and technology.

Chancellor Lovell stated that the new facility, and the launching of the School of Freshwater Sciences, would not have taken place without a lot of partners. He said that one of the strongest partners that UWM has is a collection of business and industry represented by the Milwaukee Water Council. He then introduced Dean Amhaus, the Executive Director of the Milwaukee Water Council, to discuss the new facility and the partnership between UWM and the Milwaukee Water Council.

Mr. Amhaus thanked Chancellor Lovell, and noted that it was his pleasure to be able to work with Dean Garman. He said that it was remarkable to be able to have somebody of that talent in the Milwaukee region. Mr. Amhaus noted that water-related industries, such as manufacturing, brewing, and sporting, grew over a long period of time. He noted that for nearly 50 years, the scientists, researchers, and staff at the Great Lakes Water Institute quietly and diligently conducted remarkable work and grew to become the largest freshwater research facility in the Great Lakes. He noted that that research facility, combined with the 150 regional businesses and the universities, provided an important niche that separates the region from the rest of the United States. He said that the Milwaukee Water Council and the businesses it represents realize that the private sector, the public sector, the universities, and nongovernmental organizations need to work together to accomplish common goals.

Mr. Amhaus said that people often talk about the region as the Silicon Valley of water. He noted that when people talk about Silicon Valley, they talk about the successful businesses and technology companies that are located there. However, people often forget that the roots of what began in Silicon Valley were at Stanford University; the talent and ideas that come out of the university are then applied in the private sector. He noted that this region has UW-Milwaukee, as well as UW-Parkside, UW-Whitewater, and others.

Mr. Amhaus said that the Water Council looked forward to working with the entire UW System in the areas of science, technology, and engineering. He indicated that the Milwaukee Water Council has its sights on being a global leader, which can be accomplished by working together with the UW System and the universities in the region and throughout the state. He concluded by thanking the Regents for their support.

Chancellor Lovell returned to the podium to introduce a brief video describing the partnerships involving the School of Freshwater Sciences.

Valuing UWM Employees

Chancellor Lovell stated that he had talked about the places and programs at UWM, but that places and programs would not matter without the best people. He noted that he had already introduced two dynamic leaders who would help move UWM, the region, and the state forward, Dean Magda Peck and Dean David Garman. He then introduced UWM's new athletic director, Andy Geiger, who started at UWM three weeks earlier, and the new Dean of the College of Engineering and Applied Science, Brett Peters, who signed on at 10:30 the previous night.

Chancellor Lovell stated that all of the campuses were facing significant climate and morale issues, largely due to the fact that many of the faculty and staff had had no pay increases in the past six years and were paying more for their benefits. He acknowledged the UW System and the campuses were working to address some of these issues. He noted that one thing he and others wanted to do at UWM was to focus on doing everything they could to ensure the people on the campus know how much they are valued.

Last June, shortly after he was named chancellor, UWM leadership held a campus retreat to discuss a new vision for UWM, and develop a new vision statement which still emphasizes

UWM's dual mission of research and access, but adds a new component. He said he and other UWM leaders want the campus to be the best place to learn and work. He explained that this new emphasis recognizes that the campus needs to support, protect, and enhance its greatest competitive asset - faculty, staff, and students - as the campus will only be as good as they are. This led to the "Best Place to Work" initiative, which the chancellor said was launched last August, and included several campus retreats to identify and prioritize a series of action-oriented climate initiatives. He said that over the last academic year, approximately 80 faculty and staff volunteered to be a part of this initiative and implement a set of action items, many of which do not cost anything, to make UWM a better place for the people who work there. Chancellor Lovell provided a brief overview of initiatives which include professional development, changes to improve the climate, and enhanced access to information.

Chancellor Lovell noted that he was excited about a group that was looking at improving stress levels and mental health on campus. This led to the Claws and Paws Challenge, a friendly challenge between UWM and Concordia University to train together and run the Lakefront Marathon in October. He stated that about 140 faculty, staff, and students from UWM signed up for the challenge, with more than half having never run a marathon. Chancellor Lovell shared an e-mail from a student who indicated that being active and healthy and training for the marathon had not only improved his lifestyle, but also made him a more motivated student.

Chancellor Lovell also said that the initiative includes groups looking at awards and other ways to recognize some of the excellence present on campus. He indicated that the Best Place to Work Team had done a tremendous amount of work, and asked team members in the audience to stand and be recognized. He thanked them for making a difference at UWM and volunteering their time to such an important initiative.

Chancellor Lovell stated that in January, he announced that he wanted to highlight some of the outstanding individuals or groups on campus, and he started the Chancellor's Spotlight on Excellence. This effort tells the stories of people that are not otherwise told. He explained that the stories are put on UWM's website so that they live for long periods of time. He said he would show two videos that illustrate some of the people on the campus that are making a huge impact in the lives of others.

The first video was about Dr. Anne Bastings, who Chancellor Lovell said was a unique individual who is a performing artist who realized that she wanted to do research and try to help people with dementia and Alzheimer's. He said that Dr. Bastings created a whole new field of study based on merging the performing arts and helping those with dementia. He noted that the video highlights her work.

Following the video about Dr. Bastings, Chancellor Lovell introduced a second video about Cedric Humphrey, one of the custodial staff at UWM. He noted that there were more than just scientists and faculty doing great things, and making a difference; classified staff also go above and beyond the call of duty to make the campus a better place.

Following the video, Chancellor Lovell reminded everyone of the Zilber School of Public Health dedication later that day, and then asked Regents if they had any questions for him or the other presenters.

Regent Discussion

Regent Walsh asked for a brief explanation as to how the schools of public health at UW-Madison and UW-Milwaukee differ. Chancellor Lovell asked Dean Peck to respond. She stated that before she accepted her position, she spoke with Dean Robert Golden of the UW-Madison School of Medicine and Public Health; Dr. Gary Gilmore, Director of UW-La Crosse's Graduate Community Health Programs; and individuals at the Medical College of Wisconsin. She noted that Wisconsin is an extraordinary state that already has many assets in public health education, research, practice, and policy.

Dean Peck said they agreed that there is an alternative model that is developing in Milwaukee. She said that schools of medicine that reach out to public health are extraordinary institutions, and that type of forward thinking is happening at UW-Madison, unlike most other places in the nation. The model at UW-Milwaukee is a next-generation school of public health, which focuses beyond medical care to other determinants of health. She stated that the strength of the campus was the partnerships, and the School of Public Health would be partnering with UWM's Schools of Library and Information Science, Arts, Business, Engineering, Freshwater Sciences, and the Colleges of Nursing and Health Sciences to look at the determinants of health that go beyond medical care. She referred to the complementary nature of the UW-Madison model and the UW-Milwaukee model, which would help to find stronger solutions. She stated that the two schools would not compete, but would leverage resources. She added that regular meetings were already occurring.

Regent Walsh commented that when Mayor Barrett asked that the Board of Regents not approve the UW-Madison request to change the Medical School's mission to include public health, he was very persuasive and talked about public health as an urban problem. Regent Walsh said that the Board, contrary to the wishes of the Governor and some Milwaukee voices, approved UW-Madison's request. He said that it was good to hear that the schools were not competing, as UW-Madison and UW-Milwaukee have different roles in addressing public health. He noted that this was a great example of the Board of Regents, the University of Wisconsin, and the Joe Zilbers of the world stepping up and moving forward together.

Dean Peck expressed her thanks to the Board of Regents for their support. She said while public health is not exclusively an urban problem, it is proportionally an urban issue. She said that if this university can transform the health of babies, women, families, and fathers in Milwaukee, it will happen elsewhere in the nation and elsewhere in the world.

Regent Bradley said that when the Regents meet at UW-Milwaukee, they hear about the cutting-edge work being done with the School of Freshwater Sciences. When they met at UW-Superior, they heard about the cutting-edge work being done there on the Great Lakes, and when they go to UW-Stevens Point, they will likely hear about the cutting edge work that is being done on ground water. Regent Bradley asked if there were collaborations among the great scientists

working on water issues. Chancellor Lovell indicated that there were efforts to coordinate, and that there would be an announcement about the effort the following week.

Regent Pruitt complimented Chancellor Lovell on the wonderful presentation. Paraphrasing Chancellor Lovell, Regent Pruitt said that “it is about people,” and leadership, and it all starts at the top. Regent Pruitt said that he appreciated Chancellor Lovell’s leadership, and his role in “pulling this all together.”

Regent Drew said that Chancellor Lovell’s presentation gave him hope for the people of the region and the state. He said that all of the initiatives that were presented -- the School of Freshwater Sciences, the School of Public Health, and the partnership with Johnson Controls -- indicate the potential for research and manufacturing jobs in the community. He stated that the work at UWM once again proves the quality of the state’s investment in public education, because public education is such an economic driver for the region and the state. He thanked Chancellor Lovell for the presentation.

Regent Vásquez said that he also wanted to compliment Chancellor Lovell on his presentation. He said that he was extremely proud to be a citizen of the Milwaukee-metro area, and proud that UW-Milwaukee is so engaged. He said that the Regents must also remind themselves that universities are about students. He noted that in the Milwaukee-metro area, the student population should include a broad spectrum, including students from diverse backgrounds and both men and women.

Chancellor Lovell stated that later in the meeting, a presenter from UWM would be sharing information regarding a major initiative on campus that focuses on recruitment, retention and remediation to specifically address the issues raised by Regent Vásquez. He said that at UWM, he and others know that the role of the institution is to provide access in the urban setting and to ensure the institution is producing successful graduates, even when many students are unprepared when they arrive at UWM.

Vice President Smith added his thanks to Chancellor Lovell for the wonderful presentation.

PRESENTATION, BOARD DISCUSSION & APPROVAL: UW SYSTEM 2012-13 ANNUAL OPERATING BUDGET AND TUITION & FEE SCHEDULES

Vice President Smith noted that next on the Board’s agenda were three budget items, two of which would require action by the Board. He said that the Board would start with the annual Fiscal Year 2013 operating budget, noting that while much of the morning’s focus would be on setting tuition for the coming year, there were many other moving parts to the budget that should be understood and discussed. He noted that the Board would then have an informational discussion about the upcoming 2013-15 budget cycle, which would be before the Board in

August. He stated the final item would be to vote on an official recommendation from the Board of Regents to the Higher Educational Aids Board (HEAB) regarding how much funding that agency should request in the 2013-15 biennium for the Wisconsin Higher Education Grant.

Vice President Smith said that the Regents would begin with the proposed annual budget for the fiscal year starting July 1, 2012. He said that the Regents would consider not only the price students pay, but also the aid they receive to reduce their costs. He noted that the Regents should also consider the value students derive from a high-quality college experience, and whether the UW System colleges and universities have the resources they need to deliver the first-class education that prepares students for success in work and in life. He said that Regents must also be mindful of the broader benefits that all of Wisconsin derives from having an educated workforce and citizenry. He said the Board wanted to ensure that the UW System institutions retained their robust capacity to serve as an economic engine for the state. He concluded by stating that in light of all of the flexibilities that had been granted to the UW System, the Board must examine the annual budget to ensure that the UW System is pursuing every opportunity to use the new authority to stretch dollars further and serve students better.

President Reilly thanked Vice President Smith, and said that like Regent Smith, he wanted to express his congratulations to Governor Walker and his team for their election victory. He also said that he looked forward to working with the Governor and his administration to make the university an even more powerful force for good in the state of Wisconsin, the nation, and the world.

Overview of Annual Operating Budget

President Reilly said that he wanted to revisit some key points from the Board's February meeting which included a presentation on cost containment and the long-term financial trends that affect the Fiscal Year 2012-13 Operating Budget. He recalled Senior Vice President Nook's presentation showing how the amount of money spent per student, including both GPR and tuition, grew more slowly than at peer universities. He noted that the amount of revenue per student tracked more closely to the inflationary increases that families typically experience with such items as groceries, clothing, and housing. He also noted that state support had actually fallen relative to inflation, forcing tuition to rise at a rate much higher than the Consumer Price Index.

President Reilly noted that the historical view is critical as the Board considers the upcoming fiscal year. He reminded the Board that they have the authority and the responsibility to approve a tuition rate for the coming year, and the biennial budget for the UW System and the state were built around a 5.5-percent tuition increase.

President Reilly said that the state of Wisconsin's 2011-13 biennial budget reduced funding to the UW System by \$250 million in the midst of a very tough national recession. He also noted that a required budget lapse approved by the Joint Finance Committee in February of 2012 withdrew an additional \$46 million, with plans for an additional \$20 million to be returned to state coffers in Fiscal Year 2013. He also said that in addition to those reductions in operating

revenues, all UW employees are paying for a larger portion of their health and retirement benefits.

President Reilly remarked that these are challenging times for colleges and universities, as well as for students and families. He said that with that in mind, he was recommending a modest, predictable tuition increase that provides a partial restoration of funding for UW campuses. He said that if the Board approved the recommended 5.5-percent increase, the funding would help more students get the classes they need to graduate on time in a safe, productive, learning environment. He said that the UW's historic commitment to affordability and academic excellence can be maintained through this balanced approach.

President Reilly noted that Wisconsin is not the only state where universities must tighten their belts to deal with state budget cuts, but the UW System has successfully avoided the double-digit tuition increases, seen in other states, that place a heavier burden on students and families. He said that last year, when the UW System raised tuition by 5.5 percent, the University of New Hampshire hiked its tuition by 11.5 percent, California state universities raised their tuitions by an average of 25 percent, and the University of Georgia and the University of Washington both increased tuition by 16 percent.

President Reilly stated that the recommended 5.5-percent increases this year and the year before resulted in \$110 million in tuition revenue to partially offset the budget cuts and lapses. He emphasized that the \$110 million only offsets about one-third of the state funding cuts during the biennium. He said the UW System is shielding students and families from having to shoulder much larger cuts to fill in the budget hole created by the withdrawal of funds. He said that the entire state continues to feel the ripple effects of the historic economic downturn. He also noted that the UW chancellors continue to make tough choices to find greater efficiencies while also focusing on educational programs and research efforts that will fuel economic recovery.

President Reilly said that at his request, institutions have produced 661 templates for four-year degree majors and minors. He said the templates are road maps for students to be able to plan completion of their degrees within four years, saving the cost of extra semesters of tuition. He said that while the UW System was trying to do more advance work with students and families as they plan their education, there is a trade-off in that the UW System has to have enough revenue to provide the courses in those four-year templates.

President Reilly said that if the Board were to accept his recommended budget, resident undergraduates at baccalaureate-granting universities would see their tuition bills increase by an average of \$396 for the year, or \$198 per semester. He said that at UW-Madison tuition would rise by \$681 for the coming academic year, which includes a general tuition increase of \$431 plus the \$250 differential tuition increase for the Madison Initiative for Undergraduates, and fees would increase by \$332. At UW-Milwaukee, tuition would increase by \$422 annually and fees would increase by \$84. He said that at the eleven comprehensive UW campuses, tuition would increase by an average of \$368 per year, which includes the base increase and previously approved differentials, and fees would increase by an average of \$30.

President Reilly also said that in each of these cases, the new UW tuition and fees would be below the mid-point of their respective peer groups, most of which have not yet established new tuition rates for fall 2012. He explained that UW-Madison's recommended tuition rate plus fees would be \$649 below the mid-point of its peer group, UW-Milwaukee's recommended tuition and fees would be \$512 below the mid-point for its peer group, and the recommended tuition and fees at the comprehensive campuses would be \$970 below the mid-point for their peers.

President Reilly stated that students at the thirteen UW Colleges would see a \$247 tuition increase and remain competitively priced relative to the tuition rates for liberal arts transfer programs at the Wisconsin technical colleges. He reminded the Regents that up until last year, tuition was frozen at the UW Colleges campuses for four straight years, from 2007-08 to 2010-11.

President Reilly indicated that tuition for nonresident undergraduates and for resident graduate students would increase by the same dollar amount as resident undergraduate students, consistent with previous actions by the Board of Regents.

President Reilly noted that more than 70 percent of all UW System undergraduate students receive some form of financial aid, and almost two-thirds of those receive at least one outright grant or scholarship, which reduces the net cost, or the real cost of college.

President Reilly asked Associate Vice President Freda Harris to highlight some of the other major components of the proposed annual budget.

Ms. Harris began by explaining that the 2012-13 annual budget was developed using the 2011-13 biennial budget, or Act 32, as a base. She explained that for 2012-13, funding would increase for the UW System by \$312 million, which includes an increase of \$133 million in state general purpose revenue (GPR) funding, which provides 19 percent of the University's budget. Tuition revenues would increase by \$68 million and provide 21 percent of the budget, and other funds would increase \$110 million and provide 59 percent of the University's budget.

Associate Vice President Harris explained that the proposed \$133 million increase consisted of \$106 million of new funding for debt service, which is primarily due to debt restructuring that reduced costs in the prior year, but has increased costs going forward. She also noted that in addition to the increased funding for debt service, there is also an additional \$18 million in funding for utilities.

Associate Vice President Harris noted that the annual budget includes a \$27.6 million increase in self-supporting operations. She explained that self-supporting operations include the differential tuition programs that have been supported by students and approved by the Board in prior years, online programming, and service-based pricing programs that provide additional services to students who participate in those programs. The budget also includes \$34.5 million of new resources to help restore the base funding for institutions to maintain quality, and an additional \$15.6 million of funding for health insurance changes.

Addressing segregated fees at the UW institutions, Associate Vice President Harris explained that segregated fees provide funding for programs and services such as health centers, recreational sports activities, transportation, athletics, student organizations, student unions, and child care centers, and each campus makes choices regarding the types of services and the amount of fees that are charged for those services. She stated that the annual budget includes proposed changes in segregated fees that range from a decrease of \$4 to an increase of \$84. She noted that the major reasons for those changes are funding for major programs, student approved facility enhancements, student-initiated programming, and increases in the costs of supplies. She pointed out that at the two-year institutions the average segregated fee would increase by \$8.

Associate Vice President Harris explained that for room and board, the proposed increases range from \$70 to \$412, with an average increase of \$231 for all of the four-year institutions. She noted that the major reasons for the proposed increases are new and renovated residence halls, facility maintenance projects, adjustments to meal plans and the addition of services and hours.

Ms. Harris asked Regents if they had any questions regarding the background information she provided or the materials that had been sent to Regents in advance of the meeting.

Regent Discussion

Regent Whitburn stated that he was concerned about the size of the tuition increase. He said that the issue before the Regents had been headlined in Wisconsin's largest newspaper for two of the three past days, suggesting the issue's importance and relevance for the state in terms of public policy issues.

Regent Whitburn stated that the UW System was proposing its sixth consecutive 5.5-percent tuition increase during a period in which the state and nation had experienced the second-largest economic downturn in the nation's history. He noted that a UW staff member was quoted in the morning newspaper as saying that many families can afford to pay more for tuition. Regent Whitburn questioned the truth of this statement, stating that during the drive from Wausau, he noted that in the Village of Brokaw, the principal employer in the area, is now gone and 500 families have lost employment. He noted that these families, in addition to facing unemployment, may also be struggling with health care coverage, and probably lack dental insurance. He questioned where the money would come from to pay for the dentist, much less the proposed tuition hike.

Regent Whitburn stated that he looked at per capita personal income in Wisconsin for the last three years and noted that from 2008 to 2011, per capita personal income in Wisconsin increased by 5 percent. He stated that over those three years, the UW System increased tuition by 16.5 percent and was now proposing to increase tuition by even more. He said that economic circumstances suggest it cannot be "business as usual," and six years of tuition increases is too much.

Regent Whitburn noted that the increase at UW-Madison for incoming freshmen from Wisconsin would be a \$681 increase. He stated that according to the staff report, the average increase at eight of UW-Madison's peer campuses was \$343, which is half of what is proposed for UW-Madison.

Regent Whitburn said that he would propose a 4-percent tuition increase. This would lighten the load for students and their families by \$10 million. He noted that Associate Vice President Harris indicated the annual budget included increased spending of \$312 million, and he was suggesting \$10 million less. He acknowledged that deciding where the \$10 million budget reduction would come from would be difficult.

Regent Whitburn mentioned that Milwaukee's morning paper included an observation from one of the UW System's best friends in the state legislature, Senator Harsdorf, who stated that the UW System has a long way to go in terms of operating more efficiently. He suggested that while Senator Harsdorf may not have been completely right, she was probably not completely wrong.

He stated that his motion was to amend the annual operating budget to include a 4-percent tuition increase, giving President Reilly and his staff discretion to make the appropriate modifications necessary to implement this change.

Vice President Smith noted that a motion for Resolution 10071 had not yet been made, but if there were a motion for Resolution 10071, it would then be appropriate to consider Regent Whitburn's amendment. He asked Regent Whitburn if it would be all right to wait for a motion to approve Resolution 10071. Regent Whitburn answered in the affirmative.

Vice President Smith then asked if someone wanted to either make a motion, or ask additional questions of Associate Vice President Harris.

Regent Drew stated that he had the same question he had last year regarding nonresident undergraduate tuition rates. He stated that the proposal would increase nonresident undergraduate tuition by the same dollar amount as resident tuition, which is a much lower percentage increase on nonresident undergraduate students. He questioned the wisdom of that, and asked if there was data to support the proposal.

President Reilly explained that there were data and experience behind the proposal. He noted that several years ago, the UW System was pushed to increase nonresident tuition for undergraduates, until the System was priced out of the market and lost \$13 million in revenue from out-of-state students. He noted that out-of-state students already pay approximately three times as much as resident undergraduates. After that experience, the Board made a difficult decision to lower out-of-state rates. President Reilly noted that the \$13 million was important because every out-of-state student that the UW System enrolls can help to fund a resident student. He said that it is important that the UW System make the right market choices to keep additional revenue coming in from out-of-state sources.

Regent Walsh stated that he believed John Wiley was the Chancellor of UW-Madison at the time, and asked if President Reilly recalled what happened after the Board reduced the out-of-state tuition. President Reilly asked Associate Vice President Harris to answer the question. Associate Vice President Harris said that within a couple of years of making the change, the enrollment trend was reversed. She stated that the UW System had lost over 900 nonresident students, but was able to attract nonresident students to UW institutions and restore the revenue streams. She noted that the UW System has seen steady nonresident enrollment growth.

Regent Walsh asked if the reduction in nonresident tuition was throughout the System or just for UW-Madison. Associate Vice President Harris explained that nonresident tuition was reduced throughout the UW System. She added that at UW-Madison, nonresident tuition was not reduced, but instead was not increased. She stated that UW-Madison has continued to have steady nonresident enrollment. Regent Walsh recalled that the comprehensive campuses were affected more than UW-Madison. He noted that comprehensive campuses faced a direct loss when the Board was forced to raise nonresident tuition, but were able to increase their market competitiveness when nonresident tuition was lowered. Associate Vice President Harris indicated that his recollection was accurate.

Regent Higgins stated that one of his primary concerns was that the faculty have not seen raises for quite some time. He asked how this budget would address that issue, if at all, as some of the human-resource efficiencies that were granted to the UW System had not yet been implemented. Associate Vice President Harris stated that no salary increases were included for faculty and staff in the annual budget. She explained that the increases in the budget were primarily for debt service, utilities, and health care. She said that what would impact institutions was the \$34 million from tuition revenue to support quality education, but this would not provide additional salary increases for faculty and staff.

Regent Higgins asked Associate Vice President Harris to again explain the source of the UW System debt service and the reasons why the increase is needed in the annual budget. Associate Vice President Harris explained that the state provides funding for UW System debt service, but because the approximately \$150 million of debt service for 2010-11 was restructured and refinanced at a lower interest rate, there was a substantial decrease in debt service funding last year. The current proposal restores the debt service level from the prior year, but also includes debt service for new projects that were brought online during the last two years.

Regent Higgins asked if debt refers to bonding for capital projects, and whether debt service was paying for the buildings that are being built, and the things that institutions are purchasing. Associate Vice President Harris indicated that that was the case, and that there was also some funding for "all agency projects" at the institutions, to help maintain existing buildings on the campuses.

Regent Higgins then asked if for the next biennium, when the UW System would have administrative flexibilities and less-restrictive block grants, there would be a direct trade-off between the buildings that are built and the money available to raise faculty salaries or offset tuition increases.

Associate Vice President Harris indicated that would not be the case, as debt service funds are generally considered differently than operating funds. In addition, funding for debt service is not included in the GPR block grant. She explained that the \$106 million increase for debt cannot be used for anything else, and must be returned to the state if a lower amount is needed for debt service.

Regent Higgins stated that what he was hearing was that the UW System cannot mix and match debt service and operating funds, and efficiencies related to debt service will not translate into more money and non-debt service stuff. However, when the Governor and the Legislature decide how much money they are going to give to the UW System, that will be a consideration. Associate Vice President Harris stated that debt service and operating budgets are treated separately, with separate budgeting processes, and what happens with one process does not affect the other process.

Regent Bartell stated that Regent Whitburn made a very reasoned and passionate argument for holding down tuition. Regent Bartell said that he had made similar arguments in the past, and continued to believe that as stewards of the institutions the Board has a responsibility to keep affordability at the top of its priority list. Noting that Regent Whitburn mentioned the possible need for the UW System to tighten its belt even further, Regent Bartell asked President Reilly to review some of the belt-tightening that had already occurred in the administrative area, and how much more could be done to save money and avoid tuition increases.

President Reilly explained that the UW System's administrative overhead is slightly more than six percent, while the average administrative overhead of the UW System's peers is approximately 10.4 percent. He noted that the UW System continues to do everything it can to keep its administrative costs as low as possible. He stated that in addition to being the President of the UW System, he is the head of UW System Administration. He reminded the Board that System Administration had recently taken a 25-percent cut to its budget and eliminated 50 positions, which is emblematic of the things that have occurred on the campuses.

President Reilly noted that he recently shared with Regents a disturbing letter from a student at UW-Stevens Point who was trying to finish her degree and unable to get the courses she needed, in part because the campus was not able to hire adjunct instructors to teach the necessary courses. President Reilly indicated that this was directly due to budget cuts, and that there might be similar stories at each of the campuses. He asked how much more damage the Board wanted to do to the student experience. He asked UW-Milwaukee Chancellor Lovell to talk about what further cutbacks would mean for the UWM campus.

Chancellor Lovell addressed several issues. With regard to the belt-tightening question, he indicated that in 2010 the Goldwater Institute issued a report on administrative bloat in higher education which compared 198 research universities on their cost per student and ratios of administrative staff to faculty, teaching staff to students, and administrative staff to students. He stated that the report identified UW-Milwaukee as the 12th leanest of the 198 universities. In comparison to the national average, UWM had approximately one-third of the administrative

staff per student and one-half of the teaching staff per student. He stated that this clearly indicated that UWM was already very lean, even before that most recent round of budget cuts.

Chancellor Lovell also said that he was worried about degrading the quality of experience for students on the campus. He noted that the campus has one mental health professional for 3,500 students, and one College of Letters and Sciences advisor for 800 undeclared students. He stated that these are real impacts, and continued cuts degrade the student experience. The current proposal to reduce the tuition increase from 5.5 percent to 4 percent would mean that UWM would have to offer 132 fewer course sections. With 20 students per section, this would mean that approximately 2,600 students would not be able to get into courses that they need to graduate, affecting their ability to graduate in four to five years.

Chancellor Lovell said that he understood that everyone wanted to keep tuition down for families throughout the state. He said that in an ideal world, there would be no tuition increase. However, campuses based their budgets on a 5.5-percent tuition increase, and enrollment levels were based on this budget. He said that it was very difficult to have the conversation now about a lower tuition increase; it might be easier to discuss this with regard to the next biennial budget.

Regent Drew said that the tuition level is set based on maximum of 18 credits, with the exception of UW-Stout where tuition is charged on a per-credit basis. He questioned whether students were getting their money's worth and asked about the average credit load of a full-time student.

President Reilly indicated someone would be able to provide an answer to Regent Drew's question. He also emphasized that with the credit-plateau system, students can take additional credits for no extra cost if they choose to so. Referring again to the 661 four-year-degree templates, he said that this was an effort to encourage students to take more credits per semester to take advantage of the savings that the plateau affords them, and move more quickly toward their degrees. He indicated that by doing so, students would not have to enroll for additional semesters and pay the additional tuition for those semesters.

Regent Drew asked if there were any programs in place for students who are unable to get the courses they need to get to the 18 credits maximum or for other reasons. He stated that many students work and are unable to take 18 credits. He noted that at UW-Oshkosh, there are interim terms in which students can take credits for no cost. He said he felt it was misleading to say that students are paying for 18 credits if they cannot take 18 credits.

President Reilly explained that a student can always take 18 credits, but may not be able to take the credits that are needed for their major. He said that while there are some programs on the campuses, there was not a perfect cover throughout the system. He then asked if any of the Chancellors wanted to address the issue.

Chancellor Gow explained that students are actually paying for 12, and are being given the opportunity to take the remaining credits if they choose to do so. He noted that very few students take 18 credits, though he wishes they would. He stated that the challenge is that sometimes students take too few credits, and there are many different reasons for that.

Associate Vice President Harris confirmed that the credit plateau is between 12 and 18 credits. Students pay per credit up to 12 credits, and then pay the same rate for any credits between 12 and 18. She said this encourages students to take more credits so they can complete their degrees more quickly. She added that for credits beyond 18, students have to pay on a per-credit basis.

Regent Whitburn, following up on an earlier point that President Reilly made about the damage that can result from insufficient funding, referred to priority-setting, criticality, and the understanding that every good idea cannot be funded. He also noted that the UW System has massive institutional momentum. He noted that he has an undergraduate degree in political science from UW-Oshkosh and a graduate degree in political science from UW-Madison. He stated that the College of Letters and Science at UW-Madison includes 60 percent of all undergraduates, and political science is the largest major of all. The same can be said for UWM and UW-Oshkosh. He wondered whether it was critical to offer a political science major on every single campus. He said that he had learned that there is a political science major at 12 of the 13 universities, with only UW-Stout not offering the major. He said it is possible that in some cases, the major has always been offered, or in other cases the major may be a recent addition. He concluded by stating that the UW System cannot spend money that it does not have.

Regent Vásquez commented that when he gave the Regent's address at the UW-Milwaukee graduation, he started by thanking the students, and he encouraged his fellow Regents to thank students more often and more publicly. He said that he followed his thank you by telling students they could have selected some other institution to attend, but they chose a public institution. He said that he believes students choose UW institutions because they provide a very good service that is of value to the students.

Regent Vásquez explained the UW System operates in a competitive environment, and even as a public institution, the System is competing for customers. He believes that the UW System has two customers, students as well as the future employers of UW students. He indicated that students expect UW institutions to give them what they need to be prepared to enter the world of work, and to enter the world of work as quickly as possible. Future employers expect UW institutions to give them future employees that are trained on the fundamentals, so that the employers do not have to spend a lot of time, effort, or money on retraining.

Regent Vásquez said that a public university cannot say "go somewhere else if you don't like what we do." He said he recognized that the UW System is conscientiously tightening its belt. He noted that the Education Committee has heard reports of programs being suspended and terminated, and later in the day would hear a report regarding the array of programs and how the UW System ensures that programs are not overly duplicative.

He cautioned Regents to remember that the UW System operates in a competitive environment and that many businesses, even during economic downturns, continue to invest in their equipment and their personnel. Regent Vásquez said that the UW System is not a small proprietary college system that can close its doors and move away or operate in another state because it is less expensive. He said that he hoped the UW System does not reach a point where

after repeated budget cuts, the institutions are not able to recover. He said that the Board has to be fiscally responsible, but always have an eye to the future. The UW System has to be competitive, and needs to provide employers with the best qualified students, on a timely basis. He said that the only way to do that is with faculty, academic staff, and support staff who are working hard to do that.

Regent Millner stated that she wanted to add was that price was also part of the competitive equation. She said that the UW System's role is different than that of private institutions as the UW System must attract students, but also provide an opportunity for students who might not be able to afford other institutions -- private, public, in-state, or out-of-state. She said she was also concerned with the idea of belt tightening. She said that with tightening, one can eliminate fat, but at some point tightening starts to eliminate muscle, which is destructive to the organism, the institution, or the business. She said that Regent Whitburn was suggesting that the Board look at the System as a whole, not in terms of tightening, but in terms of streamlining and allocation. She said that these were important considerations now and in the future, because increasing tuition every year by 5.5 percent, or by double digits as in other places, is not good for the state, the system, or students.

Anticipating an amendment to the main motion, Vice President Smith asked if anyone wanted to move Resolution 10071, the 2012-13 operating budget. The resolution was moved by Regent Walsh and seconded by Regent Bartell. Vice President Smith then asked if someone would like to move Regent Whitburn's amendment.

Regent Whitburn moved the amendment, stating that his amendment was that the UW's proposed operating budget be modified to provide for tuition and fee increases of 4 percent and that President Reilly and UW System staff would have the discretion to make appropriate modifications in the proposed budget to accomplish this. He said that his motivation was to give staff flexibility so that the modified budget would not have to come back to the Regents for final approval. Regent Higgins seconded the motion, and Vice President Smith invited further discussion.

Regent Walsh stated that he had been a Regent for ten years, and it is never easy to raise tuition. He noted that today is not much different than it was four years ago, as there are students who cannot afford a tuition increase. He reminded Regents that the UW System's goal is to make the institutions accessible and of the highest quality. He noted that funding of higher education is a problem in the state of Wisconsin and for the country.

Regent Walsh asked what should be done about this problem. He said the Regents had before them a well-thought-out plan given the circumstances. He noted that any business, when it has problems, has to make tough decisions, and the first course of action is often to cut expenses, which is the wise thing to do. He said that Regent Whitburn's amendment put the issue on the table.

Regent Walsh said there were three facts that suggested that taking revenue away from the UW System would be a very bad decision. First, he noted that while asking about administrative expenses is the first thing to do because it is the easiest thing to do, for ten years

the UW System had had one of the lowest expense ratios for administrative costs in the country, and it was unlikely anything more could be done.

Regent Walsh indicated that the second fact that should be considered was that the UW System's biggest expense is people. He said that the Board had had not raised the wages of faculty and staff in any reasonable amount for the last ten years; in fact, faculty and staff had "taken it on the chin." He pointed out that these same people, ironically, had increased the production of graduates.

Regent Walsh also pointed out that 10 years ago, the then-Governor cut the UW System's budget by \$250 million, which is roughly the same amount that the current Governor cut from the budget. He emphasized that what he was saying had nothing to do with politics. He said that the state has had governors making difficult decisions that they feel are in the best interest of the people, and they have made decisions to cut higher education. He emphasized that the UW System's response was to live with the cuts, and produce more.

He said that when administrative expenses were low, when there had been no faculty and staff pay increases, and when the UW System responded by producing more, he did not think it fair to arbitrarily limit tuition revenue by 1.5 percent. Rather, he said, it is the Board's responsibility to identify where the UW System can cut additional expenses.

Regent Walsh stated the he cares passionately about research, and UW-Madison is always one of the top three in the country, with \$1 billion dollars of merit-based research grants. He emphasized that the \$1 billion in research is not pork or politics, but instead merit-based research grants, and it is part of the muscle that Regent Millner was talking about. He urged the Regents not to make cuts to that muscle.

Regent Walsh concluded by stating that asking if the UW System can cut is a fair question, but there needs to be more substantive discussion about where to cut in light of the facts: low administrative expenses, no faculty pay increases, and producing more graduates. He said he did not believe the UW System can make further cuts, and the Regents had a burden to identify facts that would suggest the tuition increase should not be 5.5 percent.

Regent Pruitt also spoke in opposition to Regent Whitburn's amendment, saying that he would love to vote for a 4-percent tuition increase, or a zero-percent tuition increase. No one relishes voting for an increase that puts additional pressure on middle-class families and middle-class students, particularly when the UW System hopes to attract more students to the university to increase the number of college graduates in the state.

Regent Pruitt said that the Regents are the guardians of the quality of the universities and the UW System, and President Reilly and his staff made a strong, persuasive case about the fact that a tuition increase of 5.5 percent will only make up for one-third of the cost of the cuts to campuses. Regent Pruitt said that he had enormous confidence in the chancellors, their leadership, and all the work that is happening on the campuses. However, he was concerned with the ability of the institutions to continue to provide students with the highest quality education while dealing with budget cuts, assuming a 5.5-percent tuition increase. He said that

unless the Board intends to ask students to potentially live with even larger class sizes and even longer times to degree, he thought that a 5.5-percent tuition increase is the only responsible alternative.

Regent Bradley, addressing President Reilly, said that he assumed he did not start out at a 5.5-percent tuition increase when institutions identified what was needed to accomplish the goals that the Regents identified. He said that sometimes people see a number such as 5.5 percent and assume that the university is reaching for the maximum. He asked President Reilly to explain the process used to get the tuition increase down to 5.5 percent, rather than up to 5.5 percent.

President Reilly stated that Regent Bradley was correct in that the chancellors had many things they felt were needed to maintain and enhance quality at their institutions that would require higher than a 5.5-percent tuition hike, particularly when one considers that the UW System recently took a \$250 million cut, followed by an additional \$66 million cut due to lapses. He said that he and the chancellors had some pretty tough discussions about those issues on a regular basis.

President Reilly said that while he would like for the UW System to have more revenue, he was painfully aware of the situation that many families around the state were facing. He said that the electorate still thinks, rightly so, that the UW System and those who lead the System, have a responsibility to maintain the quality of the system that was built by prior generations. President Reilly said that, like Regent Pruitt, he was very worried that even with a 5.5-percent tuition increase it was going to be a mighty struggle to maintain quality. He said that the proposed budget would address a couple of quality issues: (1) while there is no pay plan increase for faculty and staff, chancellors would have the discretion to make counteroffers for good faculty who get higher offers from other places; and (2) this budget would also help fund the hiring of adjunct instructors to help students get their degrees, as institutions are not able to hire full-time, long-term faculty at the rates they need to.

Chancellor Wells explained that when the last biennial budget plan was being put together, President Reilly and the chancellors knew that they were going to be facing a \$250 million cut, discussed what was needed and what would be the best solution, and determined that a predictable and reasonable increase of 5.5 percent in each year of the biennium was needed.

Chancellor Wells stated that chancellors and institutions have been planning for a 5.5-percent tuition increase, based on the biennial budget approval. He noted that approximately three months before, after taking \$250 million in cuts, the UW System had to take another \$66 million due to lapses. While institutions could have appealed for an 8- or 9-percent increase in tuition due to the lapses, he and other chancellors did not want to do so.

Chancellor Wells said that all of the institutions, including UW-Oshkosh, had increased their enrollments and productivity while taking repeated budget cuts. He said that a 5.5-percent tuition increase was the best that campuses could do to maintain quality. While students at UW-Oshkosh did not like the fact that there would be a 5.5-percent increase, they accepted it.

Chancellor Patterson added that the previous semester at UW-Stevens Point the Chemistry 105 classes were over capacity by 107 percent and Chemistry 106 classes were over capacity by 112 percent. For the fall semester, Chemistry 106 classes were over capacity by 116 percent. He pointed out that these figures only account for those students who actually enrolled, and do not count those students who wanted to but were unable to enroll in chemistry classes. He likened the situation to standing at the gate at the airport and hearing the dreaded announcement that the flight is oversold. He said that at UW-Stevens Point, the classes are oversold and students are left standing there waiting for the next slot, and it is sometimes two or three semesters before they can get the courses that they need. He said the situation on his campus was very serious, and he could only deal with it by accepting the proposed 5.5-percent tuition increase.

Regent Higgins said that he had seconded the motion for Regent Whitburn's amendment and generally considered himself to be a fairly decisive individual. He said that he did not want to complain about the process that the administration used to bring Regents up to speed on the budget, and complimented Associate Vice President Harris and Senior Vice President Morgan for the time and effort they provided in reviewing the budget with him. He said he had to blame himself for not grasping it in its fullness.

Regent Higgins said that he did not know who said it, but the concept of knowing "you are going to be executed tomorrow really focuses the mind today" comes to mind. He said that when the time comes to vote, he has to think about affecting 182,000 students and their families in a way that is certainly as important to them as the budget cut is to chancellors, faculty, and staff on campuses. He said he had to do some soul searching and ask if he knew enough to answer the questions put to him by his friends, family, nephews, nieces, and neighbors.

Regent Higgins said the one thing that was lacking in the process to date was the ability to bounce ideas back and forth and hear the wisdom that Regents Walsh and Pruitt brought to the table. He said the discussion was an extremely important part of the process, and he appreciated that it was occurring.

Regent Higgins said that one of the things that affected his decision happened at Regent Falbo's UW Restructuring Task Force meeting the day before. Representative Strachota, Representative Doyle, and Senator Harsdorf pointed out to him that while the tuition at UW System institutions is below the median and second to last in the Big Ten, Wisconsin's per capita income is in approximately the same position. He said that the affordability of this wonderful university was mitigated by the fact that the state had not progressed in terms of the amount of earnings and ability to pay tuition.

Regent Higgins said that balancing had to occur. While on one hand, he had to think about the families of the students of the UW System, on the other hand he had to think about the fact that chancellors had done a fantastic job of maintaining quality and dealing with continued disinvestment in the university.

Regent Higgins said that he continued to think about friends on the faculty, the real assets of the university, and year after year of no salary increase. He said that he also looked at the

Growth Agenda for Wisconsin and asked “how can we continue to tax the citizens of Wisconsin,” whether as taxpayers or people who take advantage of state services. He said he was wandering about on the issue because he was still undecided, but he suggested that a 4-percent increase may be as arbitrary as a 5.5-percent increase.

Regent Tyler said that all of the Regents probably had seen a stream of e-mails and communication from students and were sensitive to that. He said that he wanted to recognize that the Board reads and takes those comments seriously. He said that he believed that some of the flexibilities that had been afforded the UW had not yielded results because of other issues, and those needed to be grappled with and brought to the forefront. He said that there probably was a little additional fat on the bone, but he feared that more cuts get into the muscle. He said he did not want to be the one to vote to cut into the muscle. He acknowledged that 5.5 percent is a lot of money, and said he understood the challenges that students were facing. He said that WHEG funding or education grants must be addressed, that he was not supportive of doing anything less than the 5.5 percent. He said that the Board had to maintain quality, as there was an expectation from citizens and students that the quality provided by the UW System be maintained. He concluded by stating that while the Board must continue to look for the fat, this was an inappropriate time to make further reductions.

Regent Bartell said that he appreciated Regent Tyler mentioning the communications that Regents receive from students. He emphasized that the Board listens to students, considers and discusses their comments, and talks to student-Regents about those communications, because they are very important to Board members.

Regent Bartell also said that he was glad that Regent Whitburn put on the table the subject of delivery methods and course offerings. He said there were things that might be done in those areas to reduce costs without getting to muscle. He said that he had a recent discussion with Chancellor Ward about some initiatives that the chancellor was considering for delivery methods that would reduce bottlenecks in courses and provide more access to the popular courses that the students want to take. He said that while there were things that could be done to reduce cost without reducing quality, he did not think that this was the time for the Board to cut back on revenues. He said that the Board had been trying to balance the revenues and maintain quality the entire time that he had served on the Board, and it was very difficult every single time. He said that he did not favor reducing the tuition increase to 4 percent, and believed that the Board should proceed with what had been anticipated by everyone, chancellors, students, and families.

Regent Pointer said that she was discussing with Associate Vice President Harris and Senior Vice President Morgan the opportunity that she would have to not only deliberate and vote on the tuition increase, but also pay it. She said that the tuition increase would be difficult for middle-class students and that it would hurt financially. However, she said that she was comfortable voting for the 5.5-percent tuition increase because she knew how necessary it was, and because of conversations with President Reilly and chancellors she saw that if the Board did anything less it would cut into the muscle of the System and the education that students receive.

Regent Pointer said that what can mitigate this difficult decision for her personally is for Chancellors and campuses to continue to work on time-to-degree and give students the opportunity to finish in four years. Referring to the 661 degree templates that President Reilly mentioned, she said these templates were key and that campuses need to ensure those programs are in place for students.

Regent Pointer said that she appreciated Regent Whitburn's proposal of a lower tuition increase because a 5.5-percent increase is a lot. She said for her, at UW-Madison, the increase would be \$681. She said that it is important for the Board to look at other alternatives moving forward so that tuition does not continue to increase by 5.5 percent every year, and lower tuition increases or none at all would be great.

Regent Manydeeds said that he appreciated everyone's comments, as there was obviously a lot of thought, anguish, and soul searching when Regents have to do this part of their job. Addressing Regent Higgins, Regent Manydeeds said that he did not know anything about budgets, had been through the talks with everybody, and understood part of it and did not understand other parts. He said that he was a trial lawyer who usually dealt with people with injured necks. He said that he trusted the people at the UW System who put in hours and hours to provide the Board with information, who would answer questions whenever Regents had questions, and who would take the time to explain the budget to someone like him who had a hard time grasping some of the information. He said that the Board had to trust the chancellors who were telling the Board that this was what they needed in order to operate at a bare-bones minimum. He said the Board had to trust experienced Regents, such as Regents Walsh, Pruitt, and others, who had been through this many times. He said the Board had to trust what those experienced Regents have to say and why they are saying it, and realize they were doing this for the betterment of the citizens and of the System.

Regent Manydeeds said that he also had to trust the people who read in the small Eau Claire newspaper that tuition is going to be raised and then tell him that they do not like it but understand why it has to happen. He said he would support the 5.5-percent increase, although he would like to say that it was not necessary. He said that he voted symbolically the year before not to increase tuition, but this year he felt that he did not have a choice but to vote for the increase.

Regent Bradley said that we live in an evidence-based society and students are asked to assemble the data and do the analysis. He said that what the Board had heard was that the analysis had been done with objectives in mind, and that one should not be left with the impression that 5.5 percent is arbitrary. He said that 7 percent with no analysis and no data was arbitrary, and 4 percent with no analysis and no data was arbitrary. He said that if the Board wanted to set tuition that way, everyone around the table could say where their comfort level is. He said that his comfort level is 2.7 percent, but he had no analysis, and it felt right because it was less than the rate of inflation. Regent Bradley said that he would vote against the amendment and urged others to back the UW System leadership who had done the analysis and developed a recommendation for the lowest rate.

Regent Vásquez said that he was confident that there would continue to be appropriate belt tightening and work to help students find alternatives and resources to work on a four-year degree. He said that he could not support the amendment and urged other Regents to support the original motion.

Regent Hribar said that, like Regent Pointer, she paid tuition for herself, and also for her children. She said that in small businesses, the thought is that one has to spend money to make money; businesses have to invest in equipment. She said that in this case, the Board had to invest in the students and the state. She said the students being educated at UW-Parkside and UW-Milwaukee would go out and get good jobs and build houses.

Regent Hribar said that she was supporting the increase because she had been on the campuses as both a parent and a student and did not see where the administration could cut. She said she had sat with her finger on the computer, waiting for her enrollment appointment so she could push the button at the earliest possible second to get the classes she needed. She had worked with her advisor, who had helped her make decisions that would aid in scheduling in future semesters. She said that she had a graduation goal for a certain date, and she really wanted to graduate by then. She suggested that Regents think of what they were doing as investing -- investing in students and the state and asking the administration to invest by cutting back on costs. She said that she did not think it was unreasonable to ask the students to invest in their education, in their future, and in the state's future.

Vice President Smith thanked everyone for their comments and asked if Regents were ready to vote on the amendment. Hearing no objections, he explained that the vote would be not on the original resolution, but on Regent Whitburn's amendment. A "yes" vote would be to reduce the tuition increase to 4 percent; a "no" vote would be to keep it at 5.5 percent. He asked Secretary Radue to conduct a roll-call vote. The amendment failed on a 3-to-15 vote, with Regents Falbo, Higgins, and Whitburn voting for the amendment and Regents Bartell, Behling, Bradley, Drew, Evers, Hribar, Manydeeds, Millner, Pointer, Pruitt, Roberts, Smith, Tyler, Vásquez, and Walsh voting in opposition.

Vice President Smith then returned to the original resolution and asked if there was any further discussion. Regent Drew said that he thought the administration had made a thoughtful, reasoned decision with the 5.5-percent increase, which was modest given the magnitude of the cuts in state funding. He said, however, that he wanted to remind people that the UW System was on a 35-year trend of decreasing state funding, and trending towards zero. He said that this was the second year that tuition would make up a bigger percentage of the budget than GPR and estimated that tuition accounted for 22 percent of the budget, whereas GPR accounted for 19 percent.

Regent Drew said that this year the Board was asking students and their parents to pay more. He said that he was struck by the comments of Regent Hribar regarding the necessity of investing in education, although he viewed the situation a bit differently, believing that students and their families were investing enough, but the state as a whole was not investing enough.

Regent Drew said that he could not in good conscience vote for a tuition increase when there had been no increase in the Wisconsin Higher Education Grant (WHEG) and when there had been no increase in financial aid for the neediest students. Regent Drew said that he did not accept that the new normal in the state was ever-declining state aid, ever-increasing tuition, ever-increasing student debt, and less access to the UW System for people of modest means. He said that the UW System was too important to the state to accept that as the future and as normal. He concluded by saying that he understood the thinking that went into the 5.5-percent increase, and that the System had to manage with what it was given, but he could not vote for a tuition increase, given the situation.

Regent Vásquez said that a tuition increase and how it might affect students of color and nontraditional students weighed on his mind. He said his obvious preference was that the UW System do everything possible to enhance the presence of these students on the UW campuses, as for some students a public university may be their only alternative. Regent Vásquez said that he spoke with some experience, in that he attended a private university and took on a tremendous amount of debt because he did not receive any scholarship or tuition support. Regent Vásquez said that with a sociology degree it was a lot harder to pay back loans, and his degree was in sociology. He said that years after he received a wonderful education and graduated from St. Mary's University, he and his wife were extremely happy when he was able to make his last loan payment. He concluded by reiterating that for students of color and nontraditional students, a public university education is definitely a wonderful opportunity at an affordable rate, notwithstanding the increased amount that the Regents were discussing, and he encouraged other Regents to support the resolution.

Regent Millner said that she spent a fair amount of time preparing for the meeting and in doing so reluctantly came to the conclusion that she would be voting for the 5.5-percent tuition increase. She said that she did not look at this as a \$300-to-\$600 increase but, instead, a \$900-to-\$1,800 dollar increase over three years.

She said that she appreciated Regent Whitburn's amendment because it gave the Board an opportunity to have a serious discussion, not just about the proposed increase, but also about what the System might do going forward. She said that she also appreciated Regent Vásquez's comments about improving affordability, because there were a variety of strategies that the UW System should and must consider. She said that continued reliance on tuition from students was not feasible going forward. She said that institutions have looked at belt tightening for several years, but have reached a point at which core courses are unavailable to students. She said that the UW System could not lose its vigor, and encouraged the Board, staff, and management to take a serious look at containing costs and other strategies that do not put tuition increases on the backs of students.

Regent Evers said that as the head of a system that took a billion dollars in cuts during the past biennium, it pained him to do his other job and it pained him to be at the Board meeting, because he was again dealing with the same issue. He said that he agreed with Regent Drew in that the issue, to a great extent, was about state support. He noted that the proposed increase would just barely provide adequate resources for the UW System's great public institutions to continue to move forward as best they could under difficult circumstances. He said that without

adequate support, the UW System would gradually morph from a public institution to a private institution, and instead of being a healthy and great public institution, the UW System would be a bad private institution. He said that the UW System absolutely had to find resources wherever it could. He said that the state, through its decision-making process, was providing fewer resources, and adequate resources were needed to maintain the UW System as a public institution. For these reasons, he said he would be supporting the motion.

Hearing no further discussion, and the motion to adopt Resolution 10071 having been moved and seconded, Vice President Smith called for a roll-call vote on Resolution 10071. The resolution was adopted, 17 to one, with Regents Bartell, Behling, Bradley, Evers, Falbo, Higgins, Hribar, Manydeeds, Millner, Pointer, Pruitt, Roberts, Smith, Tyler, Vásquez, Walsh, and Whitburn voting in favor and Regent Drew voting in opposition.

2012-13 Operating Budget including Rates for Academic Tuition, Segregated Fees, Textbook Rental, and Room and Board; Academic Tuition Refund Policy and Schedule; and Annual Distribution Adjustments

Resolution 10071: That, upon the recommendation of the President of the University of Wisconsin System, the 2012-13 operating budget be approved, including rates for academic tuition, segregated fees, textbook rental, and room and board; the tuition refund policy and schedule; and annual distribution adjustments as attached in the document 2012-13 Operating Budget and Fee Schedules, June, 2012. The 2012-13 amounts are:

GPR	\$1,135,221,084	19.2%
Academic Tuition	\$1,277,395,072	21.7%
Total GPR/Fees	\$2,412,616,156	40.9%
Other	\$3,488,803,708	59.1%
Total	\$5,901,419,864	100.0%

**PRESENTATION, BOARD DISCUSSION & APPROVAL:
RECOMMENDATION ON FINANCIAL AID FOR THE 2013-15 BIENNIUM**

In light of the length of the previous discussion, Vice President Smith indicated that the next item the Board would consider would be a resolution to approve a financial aid recommendation for 2013-15, and he asked President Reilly to begin the presentation. This item was moved up on the agenda.

President Reilly first introduced John Reinemann, Executive Secretary of the Higher Educational Aids Board. He said that Mr. Reinemann was appointed by Governor Walker in December 2011. He noted that Mr. Reinemann has a long history serving Wisconsin, including working for several years with the Wisconsin Counties Association and, in state government, working for the Department of Revenue, the Governor's Office, and in the state legislature. President Reilly explained that Mr. Reinemann was a graduate of UW-Madison, attended UW-

Milwaukee, and earned his master's degree at the University of Michigan. Addressing Mr. Reinemann, President Reilly said that he and the Board looked forward to working with him on the important issue of financial aid.

President Reilly explained that because the UW System must submit its financial aid recommendation for the Wisconsin Higher Education Grant (WHEG) Program in time for the Higher Educational Aids Board (HEAB) to develop its 2013-15 budget proposal, the Board of Regents generally considers the issue prior to acting on the UW System's 2013-15 budget proposal. He said he wanted to tell the Regents a compelling story that would frame the resolution he was asking them to approve:

- In 2010-11, almost 49,000 UW students received a federal Pell Grant. The maximum Pell Grant for next year will be \$5,500.
- UW System campuses awarded \$64.9 million in private scholarships and other campus-funded financial aid to 23,769 undergraduates in 2011. Of this \$64.9 million, \$42.9 million was for need-based aid.
- More than 1,300 UW students received \$5 million in need-based assistance from the private Fund for Wisconsin Scholars (FFWS) last year.
- This year (2011-12), the first cohort of Wisconsin Covenant scholars arrived at UW campuses, with participants receiving between \$250 and \$2,500 in aid each year from public and private sources.
- Last year, more than 30,300 students received a Wisconsin Higher Education Grant (WHEG) award. This is the state financial aid program administered by the State Higher Educational Aids Board. In 2012-13, students with financial need will be eligible for a \$2,384 WHEG award.
- Students with incomes below \$60,000 who do not receive a WHEG award are eligible for Tuition Assistance Grants from the UW System, which help to offset some tuition increases.

President Reilly indicated that Associate Vice President Freda Harris would present additional information on the work being done to keep the UW affordable.

Associate Vice President Harris explained that the WHEG Program is the primary state-funded financial aid program for UW students. She explained that the UW System's WHEG funding is included in HEAB's budget, as is WHEG funding for private institutions, tribal institutions and the technical colleges, with each program having a separate appropriation. She noted that UW students also have access to the Academic Excellence Scholarship and the Wisconsin Covenant Programs, also administered by HEAB, but those programs do not have separate appropriations for the UW System, private and tribal institutions, or the technical colleges.

Associate Vice President Harris explained that eligibility for the WHEG Program is determined by a formula developed by the UW System's financial aid directors and recommended to HEAB. She said that, similar to the Pell Grant, which is the primary federal need-based financial aid program, the formula relies on the expected family contribution as determined by federal methodology through the submission of the FASFA, the Free Application for Federal Student Aid. She said that for 2012-13 the eligibility formula used an expected family contribution of \$4,000, with awards ranging from \$784 to \$2,384. She noted that last year the average WHEG award was \$1,962.

Associate Vice President Harris explained that there is a statutory link between the WHEG Program and tuition increases, so as UW tuitions increase, funding for the WHEG Program should also increase. However, the statutory link was suspended, and the WHEG Program had not been fully funded in four of the last five years, which is why WHEG funding had been relatively flat. She explained that this had led to approximately 8,500 students of the 39,000 eligible students not receiving grants due to insufficient funding. To address the increase in the number of eligible students who are wait-listed, the size of the WHEG awards had been reduced, with the maximum award decreasing from \$2,980 in 2009-10 to about \$2,400 in 2012-13.

Ms. Harris said that the proposed 2013-15 funding request for the WHEG Program included two components. The first was a request to uphold the statutory commitment that funding for WHEG increase at the same percentage as resident undergraduate tuition at UW institutions, using a 5.5-percent increase as a placeholder. She indicated that even if the tuition increases were lower than this projection, it would be important for the UW System to advocate for WHEG funding as a way to reach more students and provide additional funding for those students who had not received funding in the past.

The second part of the request was to restore the statutory link that was not provided in the 2011-13 biennium. She explained that the recommendation for the WHEG Program for 2013-15 was to increase funding for UW System WHEG awards to \$68.5 million in 2013-14 and \$72 million by 2014-15, for a biennial funding request of \$24 million.

She explained that the UW System would be asking for a down payment and a first step towards ensuring that all eligible students receive a WHEG award, thereby enhancing affordability and increasing access to college education. This request would allow for a significant increase in the number of students receiving WHEG awards, with approximately 4,000 to 6,000 additional students served if the requested funding were provided.

Regent Bartell moved the approval of Resolution 10072, explaining it was the funding recommendation for financial aid that Associate Vice President Harris addressed. He said he had had the pleasure and privilege of serving as the Regent-representative on the Higher Educational Aids Board for the past several years. He noted that if tuition is considered the "sticker price" of a college education, then financial-aid funding is what contributes to the "net cost" of education for UW students. For many students, financial aid funding makes all the difference in the world, he said.

Regent Bartell noted that that the recommendation the Board was considering would restore the statutory link between funding for WHEG and the percentage increase in undergraduate tuition, as well as address the deficit that was encountered in the last biennium. Regent Bartell urged support for the request.

Regent Bartell's motion was seconded by Regent Whitburn, and Vice President Smith called for a vote on Resolution 10072, which was adopted on a unanimous voice vote.

Financial Aid: 2013-15 WHEG Funding Recommendation

Resolution 10072: WHEREAS, the Wisconsin Higher Education Grant program for University of Wisconsin students (WHEG-UW) is the primary state need-based financial aid program to assist low-income students in accessing and attaining a college education; and,

WHEREAS, increasing the number of Wisconsin residents with college degrees will help to secure the state's future civic and economic vitality; and,

WHEREAS, by 2018, 61% of all jobs in Wisconsin will require some postsecondary training; and,

WHEREAS, studies continue to find that a college education still produces the best return for the investment over a lifetime; and,

WHEREAS, the Board of Regents has made it a priority to increase opportunities for low- and middle-income students to participate in public higher education in Wisconsin; and,

WHEREAS, the Board of Regents has also made it a priority to maintain access and affordability for all Wisconsin students and families; and,

WHEREAS, Wisconsin ranks below the peer average in state grant awards per full time equivalent (FTE) undergraduate students and many students have increasingly relied on loans and personal debt to finance their college education; and,

WHEREAS, the State Legislature and Governor have indicated that access for low-income students and the impact of financial aid for ensuring that a college education remains affordable are important performance measures for the University of Wisconsin; and,

WHEREAS, a "statutory link" in state law (section 39.435, Wis. Stats.) provides that funding for WHEG-UW will increase by the same percentage as undergraduate tuition; and,

WHEREAS, funding for WHEG-UW did not increase in the 2011-13 biennium; and,

WHEREAS, the combination of flat funding and increased demand for WHEG-UW resulted in an estimated 8,500 eligible students not receiving a grant and an aggregate funding shortfall exceeding \$18.9 million in 2010-11; and,

WHEREAS, additional funding that increases the number of grants available through WHEG-UW will help to ensure that more students receive the financial aid for which they are eligible; and,

WHEREAS, the Board of Regents has identified increased need-based financial aid as critical to securing Wisconsin's civic and economic future and the success of the Growth Agenda for Wisconsin.

THEREFORE, BE IT RESOLVED that the Board of Regents requests that the 2013-15 Budget provide sufficient funding to uphold the statutory commitment that funding for WHEG-UW increase at the same percentage as resident undergraduate tuition and to restore funding for the "statutory link" between tuition and WHEG-UW funding that was not provided for 2011-13.

Vice President Smith indicated that the discussion of the 2013-15 biennial budget that was scheduled to take place that morning would be rescheduled for another time.

The meeting was recessed for lunch at 12:30 p.m. and reconvened at 1:30 p.m.

RECOGNITION OF REGENT EMERITA JUDITH CRAIN'S SERVICE ON THE BOARD

Vice President Smith introduced the next item on the agenda as one of the Regents' favorite but also saddest undertakings -- recognizing the service of Regents leaving the Board. He asked Regent Walsh to present a resolution of appreciation for Regent Emerita Judy Crain, whose term ended on May 1, 2012.

Regent Walsh said it was his honor to introduce Judy Crain and read the resolution of appreciation. He said he never met Regent Crain before her appointment to the Board of Regents, though he knew about her brother, who was a star basketball player and a very successful coach at UW-Whitewater for many years. He said he also knew about her father,

Augie Vander Meulen, the former principal at La Follette High School and, before that, the assistant principal at East High School, where Regent Crain graduated in the 1950s. Regent Walsh joked that the students who could not get into West High School attended East High School.

Regent Walsh said that the first time he met Regent Crain was at a Board meeting, and it was clear to him how well she prepared, what her thoughts were, what her commitment was, what her passions were, and how much she cared about students and education. He said that he learned after that that Regent Crain had a long background in education: she was elected to the Green Bay School Board for the first time in 1974 and served until 1981, and then she was elected again in 1993 and served for another nine years, including five years as the school board president.

Noting that service on the Green Bay school board was just the beginning of her community activities, Regent Walsh said that Regent Crain was campaign and board chairman of the United Way, a board member and the president of the Wisconsin Council on Children and Families, a trustee of the UW-Green Bay Chancellor's Council, and a member of the Governor's Task Force on Educational Excellence. He said that she was also the coordinator of services for the Sexual Assault Center of Family Services, and a longtime member of the state board of the League of Women Voters. She received many awards, including one from the Girl Scouts and 2011 Badger Alumnus by the local alumni chapter. Regent Walsh said that the simple fact was that by the time she joined the Board of Regents, it was obvious that she had a great background.

Regent Walsh said that when Regent Crain was appointed to the Board of Regents, her service did not stop. Regent Crain served on the chancellor-selection committees for UW-Green Bay, La Crosse, Parkside, Milwaukee, and Stevens Point, and served as chair of the committees for UW-Stevens Point and UW-Green Bay. As a Regent, she also served on the University Hospital Clinics Authority Board, the Technical College Board, and the Educational Communications Board.

Regent Walsh said that what was most important for the Board was that Regent Crain used her experience, expertise, compassion, and commitment to education as she served as the vice chair and the chair of the Education Committee. He recalled that what he remembered most about her service was that in her own quiet, but very stern, way she was committed to ensuring that everybody had an opportunity to be heard. He said that Regent Crain dealt with difficult issues -- charter schools, transfers, new courses -- and everybody had their opportunity to be heard. He noted that Regent Crain was very persuasive because she had an open mind and asked a lot of good questions. He said that not only was Regent Crain flexible in her own decision making, but she was able to bring people together in very difficult situations.

Regent Walsh said that he had grown to admire Regent Crain, not because she ever agreed with him, because she seldom did, but more importantly because she had lived a full life of trying to do something for education, and for people who need help in education, by promoting the accessibility of the UW, a great public institution. He said that it was his honor to read the resolution of appreciation for Regent Judith V. Crain:

Resolution of Appreciation to Regent Emerita Judith Crain

Resolution 10073: WHEREAS, Judith V. Crain has dedicated seven years of exemplary service as a Regent of the University of Wisconsin System, from 2005 to 2012; and

WHEREAS, Judy drew upon her experiences as a former trustee of the Chancellor's Council at UW-Green Bay, an institution with which she has cultivated deep and lasting ties; and

WHEREAS, Judy's decades-long advocacy for public education – elementary, secondary, and post-secondary – and her service as school board president in Green Bay resulted in consummate leadership as Chair of the Education Committee, a role in which her tenure was marked by thoughtful engagement with the academic issues and policies within the committee's oversight, including transfer, charter schools, and academic program approval; and

WHEREAS, Judy established the precedent of bringing Provosts to the table at Education Committee meetings to enhance dialogue and the exchange of perspectives and expertise among the System's governing board members and its chief academic officers; and

WHEREAS, Judy has been a great champion of LEAP Wisconsin, tirelessly promoting its focus on learning outcomes – including knowledge, intellectual and practical skills, personal and social responsibility, and integrative and applied learning – that will best prepare UW students for work, life, and citizenship in a global society; and

WHEREAS, Judy has been a tremendously active, engaged member during her tenure as a Regent, serving on what may be a record-setting 15 committees and boards, including chairing four committees; vice-chairing one committee; and serving as the Regent member of three boards, the Hospital Authority Board, Wisconsin Technical College System Board, and Wisconsin Educational Communications Board; and

WHEREAS, Judy has played a significant role in guiding the selection of university leadership, chairing two Chancellor search committees for UW-Stevens Point and UW-Green Bay, and serving as a member of the search committees for UW-Milwaukee, UW-Parkside, and UW-La Crosse; and

WHEREAS, Judy is a proud alumna of UW-Madison, where she earned a bachelor's degree in history; and

WHEREAS, Judy has worked to publicly honor and reward the commitment of extraordinary UW educators, serving on two Regents

Award Committees – Diversity (which she chaired) and Academic Staff Excellence – and has been a staunch and articulate advocate for advancing excellence, affordability, and accessibility within the UW System; and

WHEREAS, Judy’s master's degree in theological studies from the Garrett Theological Seminary goes a long way in explaining her calm demeanor, her gentle yet rigorous style of probing complex issues, and the overall aplomb with which she contributed to making policy with her Regent colleagues;

BE IT THEREFORE RESOLVED that the Board of Regents of the UW System highly commends and honors Judith V. Crain for her distinguished service and skilled stewardship on behalf of higher education in Wisconsin.

The resolution was adopted by acclamation, and Regent Crain was greeted with a standing ovation.

Regent Crain thanked Regent Walsh for his introduction. She introduced the members of her family who were present at the meeting, her husband John, daughter-in-law Mary, son Chris, and two of her grandchildren. She said she was very proud to have her grandchildren with her, noting that her grandson Kyle had just completed his freshman year at UW-Milwaukee and her granddaughter Erin just completed her freshman year at UW-Madison.

Regent Crain said that seven years before, she stood at her place at the Board of Regents table and was introduced to her new Regent colleagues. She said she was nervous, hoping she would measure up to the challenge of sitting at that prestigious table, but also eager, for she was a new Regent who had presumptuously sought the position by sending a letter to the Governor laying out her own case for his consideration. She said that at that first Board-meeting day in 2005 she was very grateful to Governor Jim Doyle for giving her the opportunity, and her gratitude was much greater on this day.

Regent Crain said that serving as a Regent had been an extraordinary personal experience that she especially appreciated because it came at a rather late stage of her life. She said she felt very lucky and very proud. Her pride, she said, was in the University of Wisconsin, as she truly believes that it is the finest higher education system anywhere, in all its manifestations -- the 26 university and college campuses and Extension locations, each wonderfully unique to its circumstances and mission. She said that the reality of the Wisconsin Idea binds us together for the betterment of the citizens and residents, for all Wisconsin communities, for the state itself, for its impact on the country and the world through its graduates, research, and scholarships.

Regent Crain stated that some had noticed that the car that she drives carries a bumper sticker that says “I believe in public education.” She said that her husband had indulged her by making certain to have a supply of bumper stickers. Regent Crain said that she makes this public proclamation with deep conviction; she wants to be known as one who believes that the

importance of first-rate public education, from early childhood through higher education, cannot be broadcast loudly and widely enough.

Regent Crain said this had been the focus of much of her life, and she believed that her tenure as a Regent was a continuation of advocacy and involvement in K-12 public schools, including serving on the Green Bay School Board. She said she saw all aspects of public education as one piece in the communal responsibility to each other for the future of children and young people, which is the future of community, country, and world.

Regent Crain said: “And so this I believe. I believe in public education that prepares students for rewarding employment that enhances personal achievement and satisfying lives. I believe in public education that contributes to appreciation and knowledge of the natural world and the arts that enhance our imaginations and emotional lives. I believe in public education that opens minds to people all around us and cultures around the world. I believe in public education that grounds us in knowledge and understanding of history, our own and that of others. I believe in public education that nurtures citizenship and care for the country and the world. I believe in public education that values diversity of all peoples and that is truly accessible to all. I believe in the public education values embraced by the University of Wisconsin. It has been my great privilege to be with all of you in dedication to those values.”

Regent Crain said she wanted to salute so many people that she deeply respected for all they are and do. She said that she had come to know them as exceptional contributors to the University of Wisconsin world and its locations throughout the state. She said she has such a high regard for all the university and college campuses; had loved every visit she had made; and was grateful to campus administrators, faculties, staff, and students for their hospitality at meetings and when she was welcomed on individual visits. She said it was great to interact with everyone at meetings and on various committees. She noted that it was especially meaningful to her to be a part of a number of chancellor searches, where she learned so much about the campuses and where it was a privilege to be a part of selecting some of the fine campus leaders. She expressed her sincere admiration for the chancellors of the system who offer strong and visionary leadership in very difficult times.

Addressing the UW System leadership and staff, Regent Crain said that it had been a great honor to work with the dedicated professionals of the System and hoped they knew of her regard and gratitude. She said that the great people in the Van Hise 18th floor office that serves the Board of Regents were so superb that the Board takes them and their sterling work for granted. She said that when the Regents look prepared and competent it has a lot to do with the support their staff have given them. Expressing her thanks, she said that she would deeply miss them.

Regent Crain said she had the privilege to have much interaction with the System’s Office of Academic Affairs and had been continually inspired by the vision and high standards of those who make up this staff. She said the staff had given her knowledge, inspiration, and the gift of collegiality; their work was at the core of what a University of Wisconsin education represents. She said she hoped and trusted that their role would continue with high quality academic support and resources to the campuses and provosts.

Addressing the Provosts, Regent Crain said that she had some of her most interesting, informing, and inspiring times as a Regent with the Provosts. She said that if she were starting to build a career, she would strive to be a Provost. She then proclaimed, “you are awesome!”

Regent Crain said she was proud to have worked with all of the outstanding leaders of the UW and those whose competency and dedication support the system. She expressed gratitude for President Reilly’s reliable strength, knowledge and vision, balanced wisdom, respectful leadership, and good-humored collegiality.

Regent Crain said that she left the Board of Regents with great affection and respect for her colleagues, some of whom had already left the Board. She said she had been continually struck with how fortunate she had been to serve with such outstanding public servants. She said she loved working with them and would be with them in spirit in the time ahead, including perhaps trying to somehow get her point of view on the table. She acknowledged that their challenges were enormous, and that she would be one of so many who would be relying on their courage and strength to ensure the present and future quality of the great university system.

Regent Crain said that she wanted her colleagues to know that she had been greatly enriched by their friendship, which would last forever, and that it was particularly meaningful to her to be recognized along with her friend, Regent Mike Spector, as they came to the board together. She said that she would go, in the spirit of President Reilly, reading a poem by Emily Dickinson.

I’m nobody! Who are you?
Are you nobody, too?
Then there’s a pair of us—don’t tell!
They’d banish us, you know.

How dreary to be somebody!
How public, like a frog
To tell your name the livelong day
To an admiring bog!

Regent Crain said she did not find it all that dreary to be a public somebody – one of the frogs sounding off in the bog. She said that now it was back to a part of the bog where nobodies can make a difference too. She asked the Board to remember that the nobodies would be out there, croaking their reminder of the public responsibility to the mission of the great University of Wisconsin to its people. Saying that this was the Wisconsin Idea, she concluded by wishing her colleagues the best always.

RECOGNITION OF REGENT EMERITUS MICHAEL SPECTOR'S SERVICE ON THE BOARD

Vice President Smith asked Regent Pruitt to present a resolution of appreciation for Regent-President Emeritus Mike Spector, whose term ended on May 1, 2012.

Regent Pruitt said that as he was thinking about what to say about Regent Mike Spector and all he had contributed to the Board over the last seven years, he realized he had more than enough material. He joked that he could be at the podium for quite awhile, with PowerPoint slides, reprising "those halcyon days" when he chaired the Business, Finance, and Audit Committee and got to read long reports and command everyone's attention. Regent Pruitt said that he then remembered that one of the things that Regent Mike Spector likes least in this world is people droning on and not knowing when to stop talking.

Regent Pruitt said since his remarks were meant to recognize Regent Spector, and in deference to that, he left a lot of material on the drawing room floor. He added that he suspected Regent Spector may check his watch and wonder when this would be finished. Regent Pruitt said that if Regent Spector had done a little less or left a smaller legacy, long remarks would not be a problem.

Regent Pruitt said there were at least four things that make a good Regent. The first thing that a good Regent needs is a deep and abiding commitment to the higher education mission and a love of the University of Wisconsin. Regent Pruitt said that in William Faulkner's 1950 Nobel Prize speech he said, "I believe man will not merely endure, he will prevail. He is a mortal not because he alone among creatures has an inexhaustible voice but because he has a soul, a spirit capable of compassion and sacrifice and endurance." He said that Regent Spector has such a soul and such a spirit.

Regent Pruitt said that everyone knows and had seen how much Regent Spector cares about education at all levels, and how passionate he is about the university. Saying that it was especially appropriate that Regent Spector was being recognized at the University of Wisconsin-Milwaukee, Regent Pruitt said that Regent Spector had lived virtually his whole life within walking distance of the campus, and knows literally every square inch of the campus. He said that it was that understanding, appreciation, persistence, and leadership that made Regent Spector so essential in the decision to purchase the Columbia-St. Mary's facility, which was the most significant capital planning decision made by UWM since its creation.

Regent Pruitt explained that Regent Spector also loved UW-Madison and was there as an undergraduate before attending Harvard Law School. Paraphrasing JFK, he said that Regent Spector had the best of both worlds -- a UW education and a Harvard degree. Regent Pruitt said he could personally attest to Regent Spector's affection for UW-Madison and its critical place in the UW System, which made him an invaluable mentor, advisor, and advocate during the challenges the UW System experienced the year before.

Regent Pruitt said that the second thing that makes a good Regent is integrity, and everyone knows that Regent Spector has that in spades. He said that Regent Spector's reputation

for integrity and his considerable diplomatic skills are the reason he got all the “easy” assignments during his time on the Board, such as crafting a policy related to employees convicted of a felony, or being involved in revisions to Chapters 17 and 18 of the Wisconsin Administrative Code. He said that as he watched Regent Spector navigate those waters, he was reminded of the following quotation: “Diplomacy is the art of letting someone else get your way.” He said that in dealing with these types of charged issues Regent Spector has been the supreme diplomat with unquestioned integrity.

Regent Pruitt said that the third thing that makes a good Regent is to be both a student of history and an advocate for change, and that appreciation for history had served Regent Spector well. He said that Regent Spector led the Board during a year of transition and change in membership, which was not easy, and he handled it superbly well. He said that Regent Spector’s ability to both understand and appreciate history, but also to understand the need for change, led him to spearhead a genuine reinvention of the Board and the UW System. Regent Pruitt said that the Board’s work today is very different than it was the year before, when Regent Spector became President of the Board, and for that everyone owes him an enormous debt of gratitude and appreciation.

Regent Pruitt said the final thing that makes a good Regent is that one must be a good colleague, mentor, and friend, concerned less about who gets the credit and more about getting things done. He said that he was reminded of the story of a Catholic elementary school that was hosting a snack break for students. On a table was a big bowl of apples, and next to the apples is a sign that read, “take just one; God is watching.” At the other end of the table there was a big plate of chocolate chip cookies, with a second sign made by one of the students that said, “take as many as you want; God is watching the apples.” Regent Pruitt said that the moral of that story was that one will be judged by what they do when no one is watching. By any measure – as a member of the Board, as Vice President, as President of the Board – Regent Spector had passed that test, as well. He said that Regent Spector never sought the limelight, but did what he thought was right, without worrying about who got the credit, but knowing that all of his colleagues were sure he was doing the right thing even when no one was watching.

Regent Pruitt concluded with a quotation from Regent Spector, which he delivered at a UW-Madison commencement that coincided with the 50th anniversary of his graduation. He said that Regent Spector was reflecting on the ups and downs of those 50 years and this is what he asked of the graduates: “Embrace the next stage of life and each succeeding stage with all the passion you can muster. Savor it. Take advantage of it. Give it all you got. You will regret anything less.”

Regent Pruitt said that Regent Spector had followed his own commandment during his seven years on the Board, and would no doubt continue to do so. He thanked Regent Spector for all that he had done and all that he had given to the UW System. Regent Pruitt then read the following resolution for Regent Michael Spector:

Resolution of Appreciation to Regent Emeritus Michael Spector

Resolution 10074: WHEREAS, Michael J. Spector provided sound stewardship and wise counsel during his seven years as a member of the University of Wisconsin System Board of Regents, including serving as Vice President of the Board from June 2009 to June 2011 and President as of June 2011; and

WHEREAS, Mike helped shape university policies and the Board's understanding of its core responsibilities during a time of both transition and increased delegation of decision-making to UW institutions, pledging that Regents must be involved in taking "renewed measure of what we do, how we do it, and why we do it" in a new landscape that includes long-sought leadership flexibilities and statutory changes; and

WHEREAS, through his service as vice chair and a member of the Education Committee, Mike sought a wide variety of input in helping to improve the excellence of teaching and learning at all UW campuses, and also worked diligently to resolve differences during the final stages of revisions to Chapters UWS 17 and 18 of the Administrative Code; and

WHEREAS, as President, Mike appointed and served on the Ad Hoc Work Group on UW System Structure and Governance and the Ad Hoc Committee on UW System Board of Regents Roles and Responsibilities – two work groups which recommended important changes in the Board's roles and ways of operating – leading to significant changes in the content, focus, and format of Board meetings and to the creation of a new standing committee on Research, Economic Development, and Innovation; and

WHEREAS, Mike broadened the UW System's partnerships, collaborations, and outreach as the Regent representative to the Hospital Authority Board and liaison to the Association of Governing Boards, and served UW students, faculty, and staff through his service on the Student Discipline and Personnel Matters Review Committee, as well as through his role as chair of the Committee Regarding Faculty/Academic Staff Disciplinary Process; and

WHEREAS, Mike is a proud alumnus of UW-Madison, where he earned his undergraduate degree 50 years ago this year, and has been a strong advocate for a robust partnership between the flagship university and the System as a whole; and

WHEREAS, Mike recognized the talent, potential, and excellence of future campus leadership as a member of the Special Regent Search Committees for UW-Milwaukee, UW-Parkside, and UW-Whitewater

Chancellors, and remains committed to serving as a voice for the needs of UW stakeholders;

BE IT THEREFORE RESOLVED that the Board of Regents of the University of Wisconsin System highly commends and honors Regent Emeritus Michael J. Spector for his distinguished tenure, his commitment to the Wisconsin Idea, and his service to the UW System, its students and staff, and the citizens of Wisconsin.

The resolution was adopted by acclamation, and Regent Spector was greeted with a standing ovation.

Regent Spector thanked Regent Pruitt for his kind words. He then introduced his wife, Joan, and their son, John, noting that John was the father of their two grandchildren. Regent Spector then expressed his sincere thanks to all of those who made his seven years on the Board of Regents the culmination of his long-time involvement in Wisconsin education. He said he was especially indebted to numerous System leaders and personnel; to an outstanding group of chancellors and provosts; to effective faculty, staff, and student representatives; and to a multitude of Regent colleagues, irrespective of which governor appointed them, for their collective friendship, patience, knowledge, dedication, good judgment, collegiality, and lots of laughs throughout the past seven years.

Regent Spector recalled various Regent-related memories:

- voting on a highly controversial and emotional tuition increase proposal at his first Regent meeting;
- shepherding Chapter UWS 7 of the Wisconsin Administrative Code through the intricacies of the shared governance process;
- attending with many of the Regents two Rose Bowl games as part of the official party;
- advocating and working behind the scenes for the purchase of UWM's Northwest Quadrant from Columbia-St. Mary's Hospital;
- working closely with David Walsh and the late Regent Roger Axtell on the Executive Committee of the UW Hospital and Clinics;
- working closely with Regents Pruitt and Smith and President Reilly on Board leadership matters;
- participating under President Pruitt's and President Reilly's leadership in the historic dispute regarding the continuation of UW-Madison in the UW System;
- initiating and participating in the recent Board assessment of its proper role, focus, and manner of doing business in a post-Act 10 world; and
- having the honor of speaking as the Regent representative at one of the recent UW Madison commencement ceremonies on the 50th anniversary of his graduation from that institution.

Regent Spector stated that, in addition, his work on Chapters UWS 17 and 18 of the Wisconsin Administrative Code gave him the chance to observe first-hand the diligence, intelligence, and work ethic of Jane Radue, and how those characteristics were so congruent with

what was needed for the Board Secretary position that he and then-President Pruitt redesigned after the retirement of former Board Secretary Jude Temby.

Regent Spector said that he had learned a few lessons worthy of comment. First, he said it is important to always remember the need to preserve the high quality of the educational product amidst the financial realities of tough economic times, as nothing dilutes a brand more quickly than a diminishment of core quality. He said that Regent Crain was his conscience on the subject of quality since their efforts on the 2003 Governor's Task Force on K-12 Educational Excellence.

Regent Spector said that it is important to remember that the UW System is a system of public higher education. He said that just as his friends at Marquette University properly emphasize their commitment to education in a Jesuit context, so must the Regents be committed to education in the equal-opportunity educated-citizenry context at the heart of the UW System's mission.

Regent Spector said that another lesson was to take especially seriously the statutory delegation of power to the Regents alone for selecting, supporting, and evaluating the System President and its chancellors. He said he was convinced more than ever, after seven years, that who occupies each of those positions is absolutely crucial to the success of Wisconsin public higher education. He suggested that it was rational that historians identify Wisconsin's higher education experiences by reference to the tenure of System Presidents and individual chancellors, rather than by any other designation.

Regent Spector closed his remarks by expressing his thanks and saying that following Regent Crain's lead, and with thanks to President Reilly (who reads poetry at Board meetings), he was pleased to conclude his remarks with a slightly adapted version of a famous American poem by Henry Wadsworth Longfellow:

Thou, too, sail on, oh Board of Regents!
Sail on, System, strong and great!
Humanity with all its fears,
With all the hopes of future years,
Is hanging breathless on thy fate!
We know what Master laid thy keel,
What Workmen wrought thy ribs of steel,
Who made each mast, and sail and rope,
What anvils rang, what hammers beat,
In what a forge and what a heat,
Were shaped the anchors of thy hope!
Fear not each sudden sound and shock,
'Tis of the wave and not the rock,
'Tis but the flapping of the sail,
And not a rent made by the gale!
In spite of rock and tempest's roar,
In spite of false lights on the shore,

Sail on, nor fear to breast the sea!
Our hearts, our hopes are all with thee,
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears,
Are all with thee, are all with thee!

- - -

PRESENTATION OF 2012 ACADEMIC STAFF EXCELLENCE AWARDS

Vice President Smith then turned to Regent Drew, the chair of the Academic Staff Excellence Awards Committee, to introduce the presentation of the 2012 Academic Staff Excellence Awards.

Introduction

Regent Drew welcomed the winners of the Regents' Academic Staff Excellence Awards. He noted that it was the highest recognition to be bestowed on members of the UW System's academic staff. He said that the Board of Regents salutes the hard work, dedication, and innovative thinking of the talented academic staff members.

Regent Drew said that while it was difficult to narrow the field of nominees, the Regents would present awards to two individuals and one program. He said that the Board was very pleased to recognize and honor the winners whose outstanding work helps to strengthen and invigorate the UW institutions and the communities in which they serve. He said he was privileged to chair the selection committee and thanked the other Regents on the committee, Regents Smith and Tyler, for their work. He said the committee members were truly impressed by the talent, commitment, and achievements of all the nominees.

Individual Award – Denise Ehlen, Director of Research & Sponsored Programs at UW-Whitewater

Regent Drew presented the first individual Academic Staff Award for Excellence to Denise Ehlen, Director of Research and Sponsored Programs at UW-Whitewater. He said that Ms. Ehlen's time at UW-Whitewater was a real success story for her and the institution. She joined the university in 1992 as a member of the support staff in New Student Programs and moved through the ranks to her current position as Director of the Office of Research and Sponsored Programs. The goals of this office are to enhance the research productivity of the university; increase internal and external support through gifts, grants and contracts; promote and facilitate technology commercialization, entrepreneurship, and economic development; and foster regional economic engagement. He noted that by all accounts the office had done a fine job in these areas.

Regent Drew said that under Ms. Ehlen's leadership, the amount of extramural funding at the campus has increased by more than 300 percent, from an average of \$1.5 million annually to more than \$6 million annually. He noted that during the past year, UW-Whitewater received

more than \$7.8 million in extramural awards, an institutional milestone that was particularly remarkable, given the uncertain economic times.

Regent Drew said that Ms. Ehlen assumed responsibility for a number of key institutional initiatives related to outreach and economic development. She was the first author of the grant proposal to the Federal Economic Development Administration that resulted in a \$4.2 million grant to build a business incubator and enhance the infrastructure in the Whitewater University Technology Park. He added that last December, Ms. Ehlen led UW-Whitewater's efforts to secure a \$6 million federal grant to fund an initiative that unites economic development and small business development centers within the university, with more than 30 regional organizations and institutions. He said that less obvious was how students were benefitting from Ms. Ehlen's work. He said that because of her innovations, unique opportunities had been created for students to become actively involved in research and business, and some of those efforts were showcased at the Posters in the Rotunda event earlier in the year.

Regent Drew also noted that Ms. Ehlen had served in many leadership roles at UW-Whitewater, including two terms as Academic Staff Assembly Chair. He said that her impact had been far reaching. He asked those present to join him in welcoming award winner Denise Ehlen.

Ms. Ehlen received a standing ovation from Regents and meeting attendees. She thanked Regent Drew for his kind words and said that the experience was overwhelming, as most days she was still surprised that she was paid to do a job that she likes so much, let alone receive an award for it! She said she was honored to be a member of the UW-Whitewater family and thanked Chancellor Telfer for his vision, commitment to research, entrepreneurship, and unwavering support. Ms. Ehlen also thanked Provost Kopper for her leadership and for supporting her and her team. She recognized her early mentors at UW-Whitewater, students, faculty, staff, administrators, and her exceptional colleagues in the Office of Research and Sponsored Programs. She concluded her remarks with thanking the Regents for recognizing UW-Whitewater's commitment to excellence by honoring her with an award.

Individual Award – Donna Weber, Director of Human Resources, UW-Eau Claire

Vice President Smith took the podium to present the second individual Academic Staff Excellence Award to Donna Weber, Director of Human Resources at UW-Eau Claire. He noted that a colleague described Ms. Weber as one of the most knowledgeable, thorough, and constructive problem-solvers around. He said she had been a part of the UW System community for 32 years, starting at UW-Stout, then joining UW-Eau Claire in 1989 as Payroll and Benefits Supervisor, and becoming the Human Resources Director in 2001. Vice President Smith said that one of her nominators pointed out that in normal times, Ms. Weber's exemplary performance would be more than sufficient to warrant her receiving this award, but as everyone knows, the last few years had been anything but normal. He said that between furloughs, alterations in collective bargaining, rescinded pay raises, benefits changes, budget bills and lapses, a new software system, and assorted other challenges big and small, the past few years had made Human Resources a very interesting place to work.

Vice President Smith said that Ms. Weber's in-depth knowledge of the mandated legislative and program changes, along with her ability to communicate effectively, made her a trusted resource for employees at UW-Eau Claire. She was also involved in the formation of UW-Eau Claire's Classified Staff Council, which significantly raised the profile of classified staff on that campus. He noted that her expertise and experience had been valuable to the UW System as well, as she had been a strong advocate and leader for the work of the Systems Talent Acquisition Management Team, had been involved with the implementation of the new HRS System, and served on the University Personnel System. He concluded by stating that Ms. Weber keeps the "human" in human resources, and he asked everyone to join him in congratulating Ms. Weber.

Ms. Weber was met with a standing ovation. She thanked Regent Smith for his kind words and said that she was overwhelmed, honored, and very humbled to be presented with the award. She reiterated what Regent Smith said about human resources, explaining that it was not always about the wonderful programs that the universities have; it is about the universities' most valuable resource -- people. Ms. Weber acknowledged her husband, one of her three daughters, and her five grandchildren, who were in the audience. She said that the support of her family was part of what has made her successful. She also said that as a child she learned from her parents' example what was needed to be successful in the human resources field -- to be compassionate and nonjudgmental, to treat everyone with dignity and respect, to be God-fearing, and to have that good Wisconsin work ethic.

Ms. Weber said that work had given her the opportunity and the experiences of dealing in real life matters -- helping a new family fill out a health insurance application for their first born, helping a dying employee get their financial affairs in order, helping a newly-married couple get their paperwork in order, and holding the hands of those going through divorce. Ms. Weber concluded her remarks by acknowledging her team in UW-Eau Claire's Office of Human Resources for their great work, and she dedicated her award to them.

Program Award – UW-Platteville Writing Center, Evelyn Martens, Director

Regent Tyler recognized the winner of the Regents' Academic Staff Excellence Award for a program, the UW-Platteville Writing Center. He said that most people have been writing in one form or another since they could wrap their fingers around a pencil or a crayon, but writing well doesn't always come easily and employers want and need workers who can communicate clearly and effectively.

Regent Tyler said that the UW-Platteville Writing Center, under the leadership of Evelyn Martens, Director of Writing and Tutoring Resources, and Coordinator Russ Brickey, makes it its mission to help students become more confident and effective writers. He said that in 2010 more than 1,400 students took part in sessions offered by the Writing Center, and it was paying off; Ms. Martens and Mr. Brickey deserve much of the credit. He said that a nominator noted "students who make regular use of the Writing Center have as a whole done markedly better on their written assignments."

Regent Tyler said that when Ms. Martens took on the role of the Writing Center Coordinator back in 2003, the operation was a fairly small, poorly understood, academic support service serving only 300 to 400 students annually. Under her leadership, it had become widely used and well recognized for its critical role in university life. Regent Tyler stated that when Mr. Brickey joined the Center in 2009, that further enhanced the services provided to students and faculty.

Regent Tyler explained that the Writing Center works with students in one-on-one writing sessions, but is involved in much more. He said that Ms. Martens and Mr. Brickey mentor and coach a highly skilled team of peer tutors and assist faculty in developing and revising courses across the curriculum to include more writing. He said they were broadening the outreach of underrepresented and underserved populations on the campus, offering presentations to faculty and students on subjects such as avoiding plagiarism and effective library research. In addition, he said that the Writing Center staff and tutors are acclaimed for their work producing “Stylus: An Anthology of Freshman Writing,” a unique publication that highlights students’ writing from their required composition classes. He said that it was his pleasure to present the Regents Academic Staff Excellence Award for a program to Evelyn Martens on behalf of the UW-Platteville Writing Center.

Ms. Martens explained that she had been tutoring students in writing since she was a child because it is her passion. She said that there were many people at UW-Platteville who should be standing with her to receive the award, including Chancellor Shields or Provost Nimocks-Den Herder; her boss, Becky Peters; and her colleague, Russ Brickey, as well as faculty at the campus. She also acknowledged the many departments and varying disciplines that access the Writing Center, her colleagues in student affairs for the support they provide, and most importantly, the peer tutors at the Writing Center, who do a very complex job and do it well. Ms. Martens concluded her remarks by thanking the Board for their recognition.

Vice President Smith congratulated all of the recipients.

- - -

The meeting was adjourned for committee meetings at 2:45 p.m.

- - -

Submitted by:

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