

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in Valhalla B
Cartwright Center
University of Wisconsin-La Crosse
La Crosse, Wisconsin

Friday, April 5, 2013
9:00 a.m.

APPROVAL OF THE MINUTES OF THE MARCH 2013 MEETING	3
REPORT OF THE PRESIDENT OF THE BOARD.....	3
HIGHER EDUCATIONAL AIDS BOARD, HOSPITAL AUTHORITY BOARD AND WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD REPORTS	3
CHANCELLOR SEARCH UPDATES	3
KNOWLEDGE POWERS WISCONSIN “POWER BREAKFAST”	4
REPORT OF THE PRESIDENT OF THE SYSTEM.....	4
NEWS FROM AROUND THE UW SYSTEM	4
<i>UW-Madison Graduates 400th Fusion-related PhD Student.....</i>	<i>4</i>
<i>UW-Superior’s Dr. Richard Stewart Named to the First Great Lakes Advisory Board</i>	<i>5</i>
<i>UW-Platteville Shows Economic Impact.....</i>	<i>5</i>
<i>UW-Parkside Associate Professor Sandra Moats Named Fellow</i>	<i>5</i>
<i>UW-Stevens Point Offers Sole Undergraduate Wildland Fire Science Program in the Midwest</i>	<i>5</i>
<i>UW-River Falls Awarded LEED Gold Certification for New Jesse H. Ames Suites</i>	<i>6</i>
<i>UW-Stout Dedicated New Digital Fabrication Laboratory</i>	<i>6</i>
<i>UW-Milwaukee to Study Ultra-High-Energy Cosmic Rays.....</i>	<i>6</i>
<i>UW-Eau Claire Forensics Team “Winningest” Blue-Gold Team.....</i>	<i>6</i>
<i>Knowledge Powers Wisconsin Campaign Highlighted in “WisconsinBiz”</i>	<i>7</i>
<i>Tenth Annual Posters in the Rotunda.....</i>	<i>7</i>
MOOCS (MASSIVE OPEN ONLINE COURSES)	7
UPDATE: UW FLEX OPTION INITIATIVE	12
BACKGROUND	13
TIMELINE.....	13
FLEX OPTION COMPONENTS	13
BUSINESS MODEL	14
REGENT DISCUSSION	15
REPORT AND APPROVAL OF ACTIONS TAKEN BY THE BUSINESS, FINANCE & AUDIT COMMITTEE	18
<i>UW-Madison Division of Intercollegiate Athletics Contractual Agreement with IMG College Seating, LLC</i>	<i>19</i>
<i>UW–Oshkosh Extension to Dining Services Contractual Agreement with Sodexo Management, Inc.</i>	<i>19</i>
<i>UW System Trust Funds Voting of 2013 Non-Routine Proxy Proposals.....</i>	<i>20</i>
<i>UW System Trust Funds Acceptance of New Bequests Over \$50,000</i>	<i>20</i>

REPORT AND APPROVAL OF ACTIONS TAKEN BY THE CAPITAL PLANNING & BUDGET COMMITTEE	20
<i>Authority to Increase the Budget of the Memorial Union Renovation-Phase I Project, UW-Madison.....</i>	<i>21</i>
<i>Authority to Reimburse the City of Menomonie, Wisconsin, for Assessable Improvements, UW-Stout</i>	<i>21</i>
<i>Authority to Request the Release of Building Trust Funds to Prepare Preliminary Plans and Design Reports for the UW-La Crosse Science Labs Building Project and the UW-Stevens Point Chemistry-Biology Building Project, UW System</i>	<i>21</i>
<i>Authority to Construct All Agency Maintenance and Repair Projects, UW System.....</i>	<i>21</i>
<i>Authority to Reimburse the City of Madison, Wisconsin, for Assessable Improvements, UW-Madison</i>	<i>21</i>
REPORT AND APPROVAL OF ACTIONS TAKEN BY THE EDUCATION COMMITTEE.....	22
<i>Program Authorization (Implementation) Bachelor of Science in Pharmaceutical Sciences, UW-Madison.....</i>	<i>22</i>
<i>Program Authorization (Implementation) Bachelor of Science in Environmental Science, UW-Stout.....</i>	<i>22</i>
<i>Program Authorization (Implementation) Master of Science in Construction Management, UW-Stout.....</i>	<i>23</i>
<i>Request to Trustees of the William F. Vilas Trust Estate</i>	<i>23</i>
REPORT OF THE RESEARCH, ECONOMIC DEVELOPMENT & INNOVATION COMMITTEE.....	23
UPDATE ON UW SYSTEM ECONOMIC DEVELOPMENT INITIATIVES	23
UW-LA CROSSE OVERVIEW OF UNDERGRADUATE RESEARCH PROGRAMS.....	23
ENTREPRENEURIAL/UNIVERSITY BUSINESS PARTNERSHIPS PANEL DISCUSSION.....	24
RESOLUTION OF APPRECIATION TO UW-LA CROSSE AS HOST OF THE APRIL MEETING	25
<i>Resolution of Appreciation to UW-La Crosse.....</i>	<i>25</i>
COMMUNICATIONS, PETITIONS AND MEMORIALS.....	26
APPRECIATION FOR REGENTS' SERVICE	26
REGENTS' VISITS/UNDERGRADUATE RESEARCH	26
CLOSED SESSION.....	27
<i>Closed Session Resolution.....</i>	<i>27</i>
<i>Authorization to Appoint: Chancellor, University of Wisconsin-Eau Claire</i>	<i>27</i>
<i>Authorization to Appoint: Chancellor, University of Wisconsin-Madison</i>	<i>27</i>

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in Valhalla B
Cartwright Center
University of Wisconsin-La Crosse
La Crosse, Wisconsin

Friday, April 5, 2013
9:00 a.m.

-President Smith presiding-

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

UNABLE TO ATTEND: Regents John Drew and José Vásquez

- - -

APPROVAL OF THE MINUTES OF THE MARCH 2013 MEETING

President Smith noted that the minutes from the March 7, 2013 Board of Regents meeting had been distributed. Upon the motion of Regent Higgins and second of Regent Whitburn the minutes were approved as distributed.

- - -

REPORT OF THE PRESIDENT OF THE BOARD

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

The reports for the Higher Educational Aids Board, Hospital Authority Board and Wisconsin Technical College Board had been provided. There were no questions or comments.

Chancellor Search Updates

President Smith began his report by noting that for the past several meetings, a major topic in his report to the Board had been the status of chancellor searches in the UW System. Pending the result of

deliberations in closed session, two new leaders would be formally announced. Dr. Rebecca M. Blank, Acting U.S. Secretary of Commerce, had been recommended as the next Chancellor of UW-Madison, and Dr. James C. Schmidt had been recommended as the next Chancellor of UW-Eau Claire. Dr. Schmidt currently serves as Vice President for University Advancement at Winona State University and Executive Director of the WSU Foundation Board of Trustees.

President Smith said that the naming of new campus leaders is always an exciting time for everyone in the UW System, and it had involved many, many hours of hard work by a lot of people, including members of the Board. He thanked all of those involved in the search processes for their commitment. President Smith recognized in particular Regent Manydeeds, who headed the Eau Claire search, Regent Pruitt, who chaired the Madison search committee, and Regent Higgins, who filled in admirably at the last minute on the UW-Eau Claire effort.

Knowledge Powers Wisconsin “Power Breakfast”

President Smith also reported that later in April Regent Tim Higgins would join Chancellor Harden and Chancellor Wells in hosting a “power breakfast.” In keeping with the “Knowledge Powers Wisconsin” theme, this event would involve legislators, business leaders, and campus representatives in Northeast Wisconsin and would involve discussions of the UW’s role in boosting the state’s economy and how the state budget will fuel those efforts.

President Smith also noted that members of the Board had been reaching out to state legislators through phone calls and face-to-face meetings. He observed that this was important to success in the budget process, noting that one member of the Joint Committee on Finance, Sen. Mary Lazich, took time following President Reilly’s testimony to commend Regent Millner for her effective outreach.

President Smith turned to President Reilly for his report.

- - -

REPORT OF THE PRESIDENT OF THE SYSTEM

News from Around the UW System

President Reilly shared news from around the UW System:

UW-Madison Graduates 400th Fusion-related PhD Student

He began by noting that UW-Madison was celebrating a milestone with the graduation of its 400th fusion-related Ph.D. student. Dating back to the 1960s, UW-Madison’s fusion program, which studies the reaction when atomic nuclei collide, fuse, and release energy, is among the largest and most widely respected university programs in the United States. Fusion-related research at UW-Madison now spans three departments in two colleges, including more than 150 faculty, staff, and students, and covers a range of theoretical, experimental, and technological aspects of plasma science and fusion. Fusion-related research in the UW-Madison departments of physics, electrical and computer engineering, and engineering physics has garnered more than \$100 million in funding since the 1960s. In addition to

campus-based research, UW-Madison faculty, staff, and students also play major roles in national and international experiments such as ITER, the International Thermonuclear Experimental Reactor.

UW-Superior's Dr. Richard Stewart Named to the First Great Lakes Advisory Board

President Reilly shared the news that UW-Superior's Dr. Richard Stewart, a transportation and logistics expert, was named to the first Great Lakes Advisory Board of the U.S. Environmental Protection Agency. Dr. Stewart is chair of the Department of Business and Economics, and Director of the Transportation and Logistics Research Center at UW-Superior. He will be one of 18 members on the new board, which will play a part in advising how the EPA spends some \$300 million in restoring the Great Lakes for future generations.

UW-Platteville Shows Economic Impact

UW-Platteville recently received the results of a study it commissioned on the university's economic impact to the region, and the news is good, President Reilly reported. It is estimated that UW-Platteville had a \$275-million economic impact in southwest Wisconsin in 2011-12, and a total impact of \$394 million to the entire state. Households of UW-Platteville employees spend an estimated \$62.1 million for goods and services in the area, while students spend \$50.4 million and visitors \$7.8 million. The university itself spent \$3.1 million for supplies and capital equipment in the region, and another \$800,000 for building construction.

UW-Parkside Associate Professor Sandra Moats Named Fellow

President Reilly reported that Sandra Moats, an associate professor of history at UW-Parkside, was among a handful of scholars recently named to the inaugural class of fellows at the new Fred W. Smith National Library for the Study of George Washington at Mount Vernon. He said that Professor Moats would be living on the estate for five months, with access to everything in the new presidential library. She noted that Washington's original personal papers had not been as easily accessible to scholars as those of third president Thomas Jefferson, but the new library should help to change that. Dr. Moats plans to write a book about Washington's role in American neutrality following the Revolutionary War, a time when the country was establishing its identity.

UW-Stevens Point Offers Sole Undergraduate Wildland Fire Science Program in the Midwest

UW-Stevens Point will become the only university in the Midwest to offer an undergraduate wildland fire science program, beginning in fall 2013. Teaming up with the DNR, about two dozen students at UW-Stevens Point recently learned how to use water pumps, locate hot spots, and put out brush fires as part of being certified as Basic Wildland Firefighters. With drought and dangerous wildfires an increasingly difficult challenge nationwide, the need is only going to grow, experts say. This summer, some of the UW-Stevens Point students could be part of crews trying to control wildfires out West.

UW-River Falls Awarded LEED Gold Certification for New Jesse H. Ames Suites

The newly constructed Jesse H. Ames Suites at UW-River Falls exceeded even their own expectations, President Reilly said, when the living space was recently awarded LEED Gold certification from the U.S. Green Building Council, recognizing high performance and environmentally responsible projects. Construction of the facility – which had originally aimed for a Silver certification – includes more than 16 percent recycled materials, with a quarter of the materials used being regionally harvested, and 70 percent of the wood used being Forestry Stewardship Council certified. Renewable energy certificates, low-flow plumbing, and rooftop solar hot water panels result in a nearly 32 percent annual reduction in energy usage and 27 percent savings in energy costs. The space is also friendly living space, President Reilly said, with a fire pit and barbecue grill, rain gardens, and a boardwalk that protects adjacent wetlands.

UW-Stout Dedicated New Digital Fabrication Laboratory

President Reilly also reported on UW-Stout's recent formal dedication of its new digital fabrication laboratory, or "Fab Lab." The lab offers users computer-controlled machines and equipment that employ many types of materials to create a wide range of products. They are then connected across the globe by a communications network that allows users to share files and other ideas for the products they want to make. UW-Stout's Fab Lab, which is part of a multi-institution research project through the Massachusetts Institute of Technology, was established by the Discovery Center, UW-Stout's umbrella organization for applied research, outreach, and economic development, and with the assistance of a multi-year \$520,000 *Growth Agenda* award from the UW System. The idea behind the open Fab Lab environment is to remove barriers, such as access to equipment and technology, while serving as an incubator for applied research, innovation, job creation, and economic development. Manufacturers often report having a difficult time finding students with the skills they need, but fab labs are expected to be an important part of developing that workforce.

UW-Milwaukee to Study Ultra-High-Energy Cosmic Rays

UW-Milwaukee scientists are joining colleagues from five other U.S. institutions, President Reilly said, for a landmark study of ultra-ultra-high-energy cosmic rays, the world's rarest and most energetic subatomic particles. He said that it apparently is the first time the particles will be recorded from space as they collide with the Earth's atmosphere. Discovering the sources of the particles' acceleration could offer insight into high-energy astrophysics and the origins of the universe, experts say. With a grant from NASA (National Aeronautics & Space Administration), the six teams would do the advance work necessary to launch a telescope that would be mounted on the International Space Station in 2017. UW-Milwaukee's role is to coordinate development of the common software framework that all the collaborators will use for analysis. The software for the mission's analysis repository will be written by UW-Milwaukee senior scientist Thomas Paul.

UW-Eau Claire Forensics Team "Winningest" Blue-Gold Team

President Reilly reported that the UW-Eau Claire forensics team won its 21st straight state championship, recently winning state individual titles in seven of 11 categories, with 16 members of the

team qualifying about 60 speeches for three major national tournaments later in April. President Reilly extended congratulations to the team and UW-Eau Claire.

Knowledge Powers Wisconsin Campaign Highlighted in “WisconsinBiz”

President Reilly also called attention to the “WisconsinBiz” publication in Regents’ folders, saying that the UW System is one of several key sponsors of this publication and is included in an eight-page color spread highlighting the *Knowledge Powers Wisconsin* campaign, as well as articles focusing on UW-Madison and UW-Milwaukee and the new Flexible Option program. “WisconsinBiz” is a part of the state’s economic development marketing plan, and will be distributed widely to CEOs and other businesspeople

Tenth Annual Posters in the Rotunda

President Reilly also reminded Board members of the UW System’s upcoming 10th annual Posters in the Rotunda in the State Capitol on Wednesday, April 17. The event celebrates undergraduate research and showcases the work of more than 100 outstanding student researchers and their faculty advisors from across the UW System. It is an important opportunity for students to share their research findings with legislators, UW alumni, and other supporters.

President Reilly completed his report by referring to the recent celebration of St. Patrick’s Day as a celebration of immigrants and immigration. He noted that all four of his grandparents were immigrants from Ireland and two of his three children are immigrants, having been adopted from Columbia. He also noted the ongoing debate about immigration policy in America. As a substitute for his usual poem, President Reilly read a 20-year-old anonymous piece from the *New Yorker* magazine that tied immigration in the American context to adoption in a way that honors both things.

- - -

MOOCs (MASSIVE OPEN ONLINE COURSES)

President Reilly introduced the next topic on the agenda -- Massive Open Online Courses, or MOOCs -- as a follow-up to the previous day’s discussion of UW-La Crosse’s remedial math MOOC. He noted the interest nationally and internationally regarding the relatively new phenomenon of MOOCs, saying that many people in attendance were much more familiar with MOOCs than he, including Dr. Hoar of UW-La Crosse; Chancellor Ray Cross and Vice Chancellor Aaron Brower from UW-Extension; and Dr. Jeff Russell, Associate Provost and Dean of Continuing Studies at UW-Madison. He suggested that these individuals and others would contribute to a good dialogue on the subject of MOOCs.

President Reilly defined a MOOC as a packaged online course on a software platform that can reach large numbers of people around the world. He said that Vice Chancellor Brower has said that MOOCs are analogous to textbooks in that MOOCs package information in clear and quality ways, like a textbook, and can be consumed by viewing individual lectures or sections of lectures, much like one can read chapters or sections of chapters in a text book. He also provided another definition of a MOOC

which appeared in an article by Kenneth Green in the January/February 2013 issue of the Association of Governing Boards Trusteeship magazine:

“MOOCs are massive (very large enrollment), open (no admission standards, no prerequisites), online courses. Enrollments that exceed 20,000, 50,000 or even 100,000 students for a single course are not unusual. MOOCs are also, for the moment, typically free: Students pay no fees to register or for participation in the course. Also MOOCs currently do not offer official college credit; just because you have completed a MOOC on artificial intelligence, entrepreneurship, or another topic taught by a professor from Harvard University, the Massachusetts Institution of Technology, or Stanford University, does not mean that you can take your certificate of completion, if available, to those institutions (or others) to receive college credit. In addition, MOOCs are generally offered and managed by third-party organizations such as Coursera, edX, or Udacity, which may or may not have formal institutional relationships with specific postsecondary institutions....”

President Reilly noted that these are companies or organizations that are putting online courses on massive platforms and some have formal relationships with post-secondary institutions, but not all do.

He said that the course completion rates for MOOCs are very low, with no more than 5 or 10 percent of registered students finishing the courses. He noted, however, that if 160,000 students register for a course, and 5 percent complete the course, the result is 8,000 students that the faculty member can interact with throughout a course. He added that it would take most faculty members a long time, teaching on a campus, to teach their course to that many students.

President Reilly then summarized related work that is occurring across the UW System. He said that during the prior day's presentation on UW-La Crosse's remedial math MOOC, President Smith and others asked about a business plan. He explained that there is not yet a clear business plan, as it is too early, but that if UW-La Crosse, which has almost 2,000 students enrolled in the MOOC, were to charge each student \$10, it would generate \$20,000, which would probably allow the institution to offer the course again in a similar format.

In addition to UW-La Crosse's efforts, President Reilly noted that UW-Madison had announced a partnership with Coursera to pilot four MOOCs. Two of the courses will be offered in the fall and two in the spring; and more than 22,000 students, from all over the world, have already registered for the four courses. He noted that this was a way for UW-Madison to promulgate its high-quality brand on a world stage and learn more about MOOC pedagogy along the way. He said that none of the MOOCs would initially be offered for credit, and this effort would initially rely on private funding. This UW-Madison pilot would be an effort to better understand the academic and the financial aspects of MOOCs, the standards for quality, evaluation plans, the learning platform requirements, the faculty and learner support needs, and what is needed to offer MOOCs for credit, and to determine what a sustained business model might look like.

President Reilly identified a third MOOC-related effort within the UW System, one that involves UW-Milwaukee. He explained that he and Chancellor Mike Lovell had been working with the national

Business Higher Education Forum, which is looking to fund a limited number of projects that tie STEM degree production to the needs of local and regional business development. The pilot effort would take advantage of the strong water industry cluster that exists in and around Milwaukee and the water research and technology expertise of UW-Milwaukee and the School of Freshwater Sciences, as well as other institutions such as UW-Whitewater and UW-Superior.

President Reilly explained that the idea would be for the UW System institutions to partner with companies to build water-related awareness and skills through a series of courses and provide a gateway into the industry for future employees of the growing water business in Wisconsin. He said that using a MOOC platform would allow for a very efficient use of industry expertise that would facilitate scaling of all kinds. In addition, there could be a parallel course for high school students to start a pipeline of younger people who would be developing skills to eventually work in the water industry in Wisconsin. Therefore, UW System institutions are thinking about a variety of opportunities related to these new things called MOOCs.

President Reilly said that MOOCs have received a lot of attention -- from the press, the academic world, many businesses, and the government -- in part because of the massiveness of MOOCs and the ability to reach so many people with course content in an organized way, but also because of the leveling affect that MOOCs might have. He suggested that if a disadvantaged young person, living in a third-world country, can easily and freely access the best course work from the most prestigious American universities, this might change the world in some way. He added that the low cost to the consumers is another reason why MOOCs have received so much attention. Another reason is what the Educational Testing Service identified as the “FOMO factor” or the “fear of missing out.”

President Reilly said that, for now, MOOCs are but one “arrow in the Flex Option quiver.” The UW System can be part of the next big step in the development of MOOCs by awarding Flex Option credits through the assessment of the knowledge garnered in MOOCs. He said that the MOOC effort held a lot of potential for the UW System, as it can build on the 4,600 online courses and the 100 degree and certificate programs offered online.

President Reilly noted that Special Assistant Andy Richards had been taking a MOOC, and he invited Mr. Richards to share his experience with the Board. Mr. Richards explained that he had been taking a MOOC on “How to Build a Start-Up” through Udacity. He described the type of information he encountered on the Udacity website, the courses offered, and his reasons for choosing this particular course. He described the structure of the course as nine lessons, divided into smaller segments of two to four minutes each, with each lesson including 25 to 30 segments. He noted that the course segments were not interactive and, unlike the math MOOC at UW-La Crosse, the course did not include tutors. As a student in the course, he said he watched videos on a digital whiteboard as the instructor explained and connected concepts. He said that he found the MOOC to be engaging and enjoyable.

Mr. Richards said that he thought the look and feel of the course would be natural for people who spend any time on the Internet, and that it could be done anytime and anywhere with online access. He described Udacity as an online learning library with 22 courses that could be checked out, started, and finished at one’s convenience. He concluded by saying that his experience with a MOOC had been positive.

President Reilly continued, saying that he recently read a document from the Association of Governing Boards, entitled “Massive Open Online Courses (MOOCs): A Primer for University and College Board Members,” written by the Chief Information Officer at the University of Maryland College Park:

“Indeed, boards should engage now with their presidents and other senior administrators. These engagements should be significant and supportive, and done with an understanding of the between-a-rock-and-a-hard-place position into which this revolution has placed institutional leaders, especially faculty members. Boards are certainly focused on institutional brand and prestige, revenue and market protection and enhancement, and cost containment and reduction. However, if these are viewed as the business reasons for adapting IT-enabled changes to the process of teaching and learning, resistance will be significant and trust will be slow in coming between the faculty and the board -- with the presidents and administrators stuck in the middle. Boards should openly acknowledge and grapple with the cultural issues within their institutions and work actively and supportively with faculty members and administrators to address the challenges presented by this disruptive change.”

President Reilly then invited others familiar with MOOCs to share information with the Regents. Jeff Russell, of UW-Madison, said that Provost Deluca had charged him with evaluating whether UW-Madison should consider developing MOOCs and, if so, whether to engage with platforms such as Udacity, edX, and Coursera. He described several things about Coursera that he liked: the lack of an upfront transaction fee, the university’s retention of the intellectual property, the university’s ability to withdraw after 90 days, and the fact that the course could not be run without the agreement of the instructor and the university. He said the UW-Madison leadership believed it needed to be engaged in MOOCs, and to learn by doing, because it is important to understand how the technology can promote teaching and learning.

Regent Whitburn suggested that the university needed a strategy for where it might want to go with MOOCs and avoid the “catch-as-catch-can” that could conceivably detract from the commitment already made to the Flex Option program. President Reilly agreed and noted that the UW System has been forming a strategy from the ground up, based on some of the initiatives he described. He said that the leadership at Coursera was very interested in entering into agreements with public university systems around the country, but the UW System needs to do more due diligence and gather more intelligence before entering into any agreements. He said that a strategy was forming in a healthy way, and at a healthy pace.

President Smith asked how educational technology companies are paid and whether the companies have financial arrangements with higher education systems. Dr. Russell explained that the companies are entering into agreements with publishing companies for use of electronic textbooks as part of the courses and trying to determine how the courses can be converted to credit toward either a certificate or a degree. He also explained that some companies in high-tech industries may be willing to pay for information regarding students who have done well in the courses and opted to make their information available.

In response to a follow-up question from President Smith regarding the costs to UW-Madison to develop the four courses it was developing, Dr. Russell explained that he did not yet know the cost, and UW-Madison was not paying Coursera for its involvement. Designing and offering the courses was more involved than simply putting a camera in the back of a classroom and capturing what has historically been offered to students. The courses will need to be creatively designed to present content as well as assess what students are learning.

Vice Chancellor Brower cautioned that there is currently a lot of altruism in the “MOOC world,” but it is not going to last, as MOOCs are a competitive venture; educational technology companies such as Coursera are becoming more aggressive in their pursuit of signing higher education systems. As a follow-up to Dr. Russell’s comments, he said that if one thinks about MOOCs as textbooks, the MOOCs are providing good content packaged in good ways, which is very compelling. As other entities develop MOOCs with good, quality content, Flex Option students will be able to take advantage of the learning opportunities. However, assuring that students are learning from MOOCs and converting MOOCs to credits or competencies is where the business model for MOOCs will eventually lead, and at that point MOOCs will be competing with the Flex Option.

Regent Pruitt, commenting that MOOCs are interesting and worth exploring, asked if there had been any consideration for how to reach first-generation and low- and moderate-income students. He noted that these students seem to be the least likely candidates to engage in and complete a MOOC, and also the most likely to need the direct one-on-one attention that comes from being part of a more traditional higher education environment. In response, President Reilly said that one of the courses that Dr. Russell and his colleagues at UW-Madison were developing would focus on video games and learning. He suggested that there is something to be learned about the packaging of video games that could be used to attract many different types of students.

President Smith stated that some of the criticism or questions raised about MOOCs were related to who the MOOCs are aimed at and who is going to be impacted the most. In response, Dr. Hoar of UW-La Crosse said that the impact of MOOCs is going to vary from course to course, based on who is developing the course, who the course is targeted toward, and the intentions of those developing the course. The math MOOC at UW-La Crosse is meant to broaden access, but will not broaden access for everybody, as it requires participants to have Internet access and time. However, the course does allow participants to use their time when and how they choose to do so, as it is not structured like a typical course, which requires participants to be at the university on a certain day and at a certain time. He said that there are first generation students who are fully employed, and trying to get ready for college or to get back into college, and the math MOOC is a means by which they can do that at no cost to them.

Dr. Hoar said that the sheer number of people interested in the MOOC is inspiring. He said that people do want access to higher education, but have not yet found it. Some have left high school without touching a university and are looking for a pathway back, and this MOOC provides a pathway. Some individuals will still need a structured course and, while the math MOOC will not replace all remedial math courses, it may provide an alternative to those who do not need one-on-one assistance, leaving the existing remedial math courses less crowded for those who need more one-on-one assistance. He said that the math MOOC is going to be part of a tool kit, and is not meant to replace every tool, but instead to help make the other tools more effective.

Chancellor Cross indicated that he wanted to emphasize that most of today's MOOCs are designed to serve professionals or individuals that are inclined or motivated to take classes. However, MOOCs are evolving from serving a professional group of people, to serving those who have not seen themselves as participating in education. He said that higher education is in the very early stages of this evolution, but should make progress in this area within the next few years.

Vice President Falbo noted that the discussion of MOOCs included both an academic and a financial component, and it is when the courses can be taken for credit that the financial influence will come into play. He suggested that companies such as Coursera have been funded with venture capital and likely have a road map to becoming financially successful, and learning more about that road map would be useful. He said that it was unlikely that a venture capital firm invested in Coursera without having an idea of their return on investment. He suggested learning more about their intended road to financial success and to determine if that model can be paired with the more intricate processes that the UW System has with regard to academics.

President Smith asked whether MOOCs were being offered for credit at other universities. Vice Chancellor Brower said that San Jose State had signed an agreement with Udacity to offer developmental-level MOOCs for credit. President Reilly noted that the American Council on Education had contracted with a couple of companies to review courses and make credit recommendations.

Following up on Regent Falbo's comment, President Reilly said that the upfront part of the business plan for companies like Coursera and Udacity was very fluid. He said that the deal that Coursera struck with UW-Madison is very different from the deal they struck with some other universities, and there is an adaptability on the part of the companies to contract with major universities because of the brand implications and the potential return on investment for the venture capitalists.

Chancellor Gow said that the question he finds very interesting is what institutions will do when students complete a MOOC certified by ACE and want credit for the course.

Regent Tyler suggested there might also be a financial model for MOOCs based on the creative delivery of the content, rather than only on credentialing. President Reilly agreed with this suggestion, and noted that MOOCs may redefine the notion of failure because students can redo sections of courses.

Chancellor Wells said that MOOCs are exciting and scary at the same time. He said that, in his opinion, an individual's overall education is greater than the sum of its parts. Institutions of higher education can provide people with an outstanding vehicle to their. He also said that it was important to help students demonstrate not just what they know, but what they can do with what they know.

- - -

UPDATE: UW FLEX OPTION INITIATIVE

Turning to the next topic on the Board's agenda, President Smith asked Chancellor Cross and Vice Chancellor Brower to provide an update on the Flex Option program.

Background

Chancellor Cross started his presentation by stating that the Flex Option is a complex issue. He said that in some ways it is like creating a whole new virtual university within an existing university, with longstanding processes and systems in place, and a completely new currency -- competencies rather than credits.

He said that Flex Option has received a lot of national attention, from the *Wall Street Journal*, state newspapers, *The Chronicle of Higher Education*, and *Inside Higher Education*, as well as from legislative leaders in other states. He also noted that work continues with the federal Department of Education that will allow the Flex Option program to compete with traditional education models for financial aid funding.

Timeline

Before turning to Vice Chancellor Brower, Chancellor Cross shared a timeline of important program milestones, noting that they were making progress toward their fall start-up date. He also joked that fall is a three-month period and does not end until the Winter Solstice.

Referring to the program timeline, Vice Chancellor Brower explained that conversations had been initiated with the accrediting body, the Higher Learning Commission (HLC), which will accredit the programs at UW-Milwaukee and UW Colleges. The initial submission of materials would occur on May 15, and the review by the HLC would occur in early July, with an accreditation decision expected by mid-July. He explained that once the program is accredited, the official marketing of the programs would begin. He also clarified that while he and Chancellor Cross had been working with the Department of Education on aid issues, that work could not officially begin until the HLC accredits the programs.

In response to a question from Regent Bartell about the accreditation process, Vice Chancellor Brower explained that as part of the normal accreditation process, the HLC does not simply approve or deny accreditation but, instead, may give credit for some parts of a program and provide feedback for other parts. He also said that the early signal from the HLC was that they like the Flex Option model, which builds upon existing accredited degree programs and existing accredited institutions.

Flex Option Components

Returning to his presentation, Vice Chancellor Brower explained that there are four interlocking components to the development of the Flex Option: (1) a communications plan, which is developing; (2) a business model, which will address how the program is funded and remuneration of effort; (3) the academic activities, which include the development of the competencies and assessments; and (4) the operations, or "back office stuff," such as registration, admissions, financial aid, and a student information system.

Expanding on the communications plan, he explained that the plan currently focuses on a web presence, one for marketing the program and a second for those interested in knowing more about how the program works; a federal strategy; and a strategy for state and national stakeholders and audiences.

Business Model

Chancellor Cross shared some observations about the Flex Option's business model, noting that it is a cost-recovery program, with shared start-up funding from the state, the UW System, and UW-Extension, and including the investment of staff and other resources from the UW institutions. He said that this shared-investment model had captured the attention of some potential grantors, such as Lumina and others. He said that more information regarding the pricing and the terms, or length of engagement, would be provided at the July Board of Regents meeting. Chancellor Cross emphasized that the model would look more like the private sector programs that the Flex Option will be competing with, while still allowing students to take advantage of MOOCs, other free instructional information, or self learning.

Referring to a slide illustrating projected enrollments through fiscal year 2017, the chancellor noted that based on the most conservative enrollment projections, the "break-even point" for the program will occur in approximately fiscal year 2017. He also emphasized that the enrollment projects thus far included only full-time students, though part-time students would likely account for a sizable share of total enrollment.

Vice Chancellor Brower noted that 1,400 students that are projected to enroll by fiscal year 2017 are across ten projected programs, or an average of 140 students per program, a very conservative projection. He added if the Flex Option program is not enrolling 140 students in each of the ten programs, then the UW System has either picked the wrong programs to develop or is doing something really wrong.

Vice Chancellor Brower continued with information regarding the academic activity occurring at UW-Milwaukee and UW Colleges, noting that faculty and staff were developing competencies and assessments for the first cohort of programs. He said that they were addressing all of the issues that had been noted before -- program quality, ensuring curriculum integrity, determining how the educators will know when students are learning, and identifying the things students should be learning. He said that he expected that the competencies for the first cohort of programs would be written by May, and a portion of the assessments, focused on what students need to take early on in the program in order to advance, would be written by the time of fall enrollment. He explained that they were focusing on a portion, instead of all of the assessments; it will likely take a full academic year to develop all of the assessments that will be needed. He then shared a slide illustrating the competencies for UW-Milwaukee's Bachelor of Information Science and Technology, which included introductory, mid-level, and upper-level competencies.

Chancellor Cross explained that when he and others started working on Flex Option, he thought the academic component of the program would be the most difficult. However, he and others have discovered that developing the operational component of the program, which includes admissions, enrollment, bursar functions, financial aid, advising, and information technology, was challenging, in part because of an interest in making the operations effective and efficient without exacerbating existing workloads.

Chancellor Cross referred to his next slide, which illustrated a project management chart with a timeline and multiple tasks that needed to be accomplished by the Flex Option academic team and

operations team, as well as UW-Extension staff. He said he wanted to expand upon the information technology area, as it is an area of serious concern because it is incredibly complicated, as well as frustrating. The program will have to translate competencies into credits, transfer students out and in, have a working exchange rate and model, and have a student information system that seamlessly moves information between campuses and elsewhere.

Vice Chancellor Brower emphasized that quality student and educational experiences are at the center of the Flex Option program. Increased access to quality education is the primary goal of the program; program flexibilities would lead to affordability, while drawing on the existing quality institutional resources within the UW System. He said that another goal of the Flex Option program is to increase student retention and degree completion with proactive, wrap-around support through an innovative advising model.

Vice Chancellor Brower said that what students learn has to be valuable to employers, as well as to graduate and professional schools, which is why demonstrated mastery of valued outcomes, quality competencies, and quality assessments, is so important. In addition, the “stackable” certificates and the potential for the Flex Option program to approach bachelor’s degrees in a different way are important to both students and future employers.

Flex Option is predicated on the recognition that the higher education landscape is rapidly changing. The new business model and shared-investment strategy are being built into the Flex Option program.

Concluding the presentation, Chancellor Cross said that there are serious challenges to developing Flex Option, and one of the challenges is academic. He explained that a degree is not merely stacking competencies, which would be akin to putting bricks up without mortar. The key is to tie together all of the competencies to ensure the student has a meaningful experience; this is what he and his team were working on and which would help separate the UW System from its competitors.

He also pointed out that in higher education it is difficult to try new things and take risks. He asked for the Board’s patience, help, and encouragement, as well as their criticism, as it will be necessary to change and modify. He noted that in higher education, it is often necessary to carefully plan things out for five years or more, and there are not many opportunities to take risks. The Flex Option program is a new field which is developing quickly, and the Board’s support is needed.

The development of the Flex Option program could not happen without the help of some tremendous people at UW-Extension, UW Colleges, UW-Milwaukee, the members of the advisory committees, faculty, and administrative and operational staff. Chancellor Cross said that if someone had told him a year ago about where the development team would be today, he would not have believed it. He said that he was surprised that the Flex Option program was doing so well and said, “we are going to get there, one way or another!”

Regent Discussion

Regent Hribar thanked Chancellor Cross and Vice Chancellor Brower and said that the development of the Flex Option program was very exciting. She said that she believed strongly that the

adult learners in Wisconsin needed two things: a safe place and an affordable place to get the education they need to stay competitive and feed their families. She said that based on what she has seen so far, providing a safe place for adult learners would be accomplished because the UW System and faculty were standing behind the Flex Option program. She said that she wanted some assurances on the affordability aspect of the program. She suggested that as more students enroll in Flex Option, the marginal cost of providing the services would decrease. She asked for a comment on the affordability of the program.

Chancellor Cross explained that he and others were trying to create multiple ways for the Flex Option to be cost effective. One way was through the use of MOOCs, which allow students to take advantage of free courses. He also noted that Regent Hribar's perceptions of the scalability of the program, and more attractive cost margins, were accurate. He said that if the program were to be affordable, while still providing 360 degree wrap-around advising for students who normally would not access higher education, than the program would truly be operating like a public university, which should be the goal. He said that Regent Hribar had his personal commitment to keep the program affordable.

Vice Chancellor Brower also reassured Regent Hribar of his commitment to keep the issue of costs front and center. He indicated that he had been taking one of the pilot certificate programs in business math and personal finance, and he believed that his experience is probably very typical. He explained that he worked through the first sets of modules very quickly and finished two of the five modules over the weekend. He had now reached a point at which he must work through the modules in a more measured way. He explained that the pace at which students complete the modules would make a huge difference in affordability. If he were taking traditional semester-by-semester courses, he would be signed up for five semesters' worth of work, but bored in week four of the first semester, while having paid tuition for the course. The self-paced nature of the Flex Option program would make a difference in terms of affordability.

President Reilly added that the Flex Option program required that one flip the paradigm on the way they think about tuition or cost. He explained that, generally, the two components of college costs are the tuition per semester and the total cost of earning a degree. However, with the Flex Option, traditional semesters would not exist, and what students pay long-term for a degree would depend on what they bring to the program and what they can get recognized for doing. Under the new paradigm of the student-based Flex Option, the tuition may be different for almost any student that enrolls.

Regent Tyler commented to Chancellor Cross that the development of the Flex Option program was very entrepreneurial. He recalled a discussion he had about risk with a corporate-responsibility person who believed they needed to be 110 percent sure that they were right before taking a step, whereas he felt that a 50/50 chance was good enough because if he was wrong, he would adjust. Regent Tyler said that he was thinking about this tension with regard to Chancellor Cross, and that public institutions have a tendency to want to be 110 percent sure, while entrepreneurs have a different experience. He asked Chancellor Cross how he was dealing with that tension, and where he fell on that scale.

Chancellor Cross said that he and all of his chancellor colleagues were concerned that this may harm their existing institutions. However, with between 750,000 and 1,000,000 adults in Wisconsin

with some college but without a degree, the Flex Option program has the potential to reach these people in a cost effective way. He said that the goal was to make Flex Option consumable and digestible, in palatable pieces, that allow the learner to purchase it or acquire it as they need it. He said that Wisconsin is at the forefront on this issue, and therefore the UW System needs to be struggling and grappling with the issues, and yet moving forward at the same time. He said he was comfortable with making mistakes, but they must be made in the open, which is why he and his team were trying to be as transparent as possible. He said that while he wanted to make sure that the System is not afraid to step out in front with this program, he also wanted to be cautious.

Regent Millner remarked that the Regents had been asked for their support and patience in developing the Flex Option program. She said that the information presented had given her a great deal of confidence in providing that support. She commented that Chancellor Cross and Vice Chancellor Brower had accomplished much in less than one short year, facing a range of issues, and in a thoughtful way. She thanked them and said that she appreciated their presentation.

Congratulating Chancellor Cross and Vice Chancellor Brower on their work thus far, Regent Whitburn commented that promises had been made regarding the scale of the Flex Option program, and now the UW System had to deliver on those promises. Chancellor Cross responded by stating that the question of scale has a lot to do with the number of students that can be served. A MOOC may enroll 20,000 students, but there are challenges associated with evaluating that many students. Flex Option would allow for a lot of self-directed learning, but that does not well serve all students. He acknowledged that that the UW System was charting new territory with the Flex Option program, and to deliver the program in a quality way was the challenge.

Vice Chancellor Brower added that the program's business model had ratios built in. For example, the student-to-advisor ratio is 85:1, and if enrollments rise faster than anticipated, the business model allows for the hiring of more people in order to meet that enrollment. He said that he does not want to overpromise that the program will have 10,000 students within a four-year period because if that is not achieved, then the structure will have been built before there is sufficient enrollment.

Chancellor Wells expressed confidence that the program scale would be met. He also emphasized the importance of the support of Regents and other stakeholders, including chancellors and faculty, and asked that Chancellor Cross and Vice Chancellor Brower be allowed to fail fast, learn from that failure, and keep moving forward without being "thrown under the bus." He also noted the importance of students' being exposed to campuses and suggested that some educational experiences cannot be replicated through an online program.

Regent Millner indicated that discussions of capacity should focus not only on how many enroll in the program, but also the quality of the experience and the percentage that complete the program. She also suggested that in terms of capacity, the array of courses should be considered. She said she believes it is better to start with a smaller array, and address the various issues that need to be addressed, and only after that broaden the array.

Chancellor Cross said that the program's business model was envisioning only ten programs because of the need to learn a lot of new things. He said that of the four major groupings -- business, advanced manufacturing, health care, and information technology -- there would be programs in three of

the areas and a certificate in business. He said that programs from other campuses had expressed interest in being part of the Flex Option, but he did not know how many programs would eventually be offered. He said that the programs that would be offered would be in fields that are useful to the people of Wisconsin and the employers in the state.

With regard to expectation management, he said that the Flex Option is not meant to replace the current program array that currently exists, as Flex Option does not work well for everything. Flex Option is aimed toward the areas that are both most important for the state and the nation, but also toward the programs where the model works best. He emphasized the importance of Flex Option's having high rates of completion.

President Reilly offered several concluding thoughts. First, he acknowledged that in developing the Flex Option program, mistakes will be made, the mistakes will be public, and some parties will be critical. The Board's reactions to those mistakes will be watched and listened to very carefully, and will either push the UW System back or ahead.

With regard to stackable certificates or credentials, President Reilly said that while it is important to talk about completion rates, new sets of credentials may lead to more marketable employees and enhanced careers, apart from traditional associate and baccalaureate degrees.

Finally, President Reilly said that he hoped that the Board would come away from the discussion with a sense of the terrific, forward-looking leadership that exists throughout the UW System. The chancellors had been supportive of the Flex Option development, even while the process was unsettling. He said that he hoped that the morning's presentations had left the Regents feeling good about what is occurring within the UW System with regard to the Flex Option.

President Smith thanked President Reilly, as well as Chancellor Cross and Vice Chancellor Brower for their excellent presentation and the follow-up discussion. In response, Chancellor Cross said that the support from members of the Board, the legislature, the Governor's office, and the public had been tremendous. He also thanked the Board for its patience.

- - -

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

President Smith turned to Regent Whitburn for a report of the actions of the Business Finance and Audit Committee.

Regent Whitburn reported that the committee approved a five-year contract between UW Madison Athletics and the IMG College Seating Organization for stadium seats and seatbacks at Camp Randall and elsewhere in Madison and a four-year extension of the dining services contract for UW-Oshkosh. Two articulate student leaders talked about the importance of increasingly-flexible dining options for students, consistent with the contract extension.

UW-Madison offered an update on the institution's human resource program policies. These policies will guide UW-Madison's implementation of the Regent policy on university personnel systems. They are similar to the operational policies for the balance of the UW System that were approved by the Board in December.

Regent Whitburn reported that Associate Vice President Al Crist presented an overview of the UW System Operational Policy intended to guide and govern the distribution of pay plans and salary adjustments at UW System institutions other than UW-Madison should a pay plan become available in the near future.

The committee also heard highlights on the UW Trust Funds, annual benchmarking studies. Regent Whitburn said that UW investments were being handled well and measured positively with peer organizations. The committee accepted four new bequests to the university, with a total value of about \$696,000. The committee approved the UW Trust Funds' voting of the 2013 non-routine proxy proposals; the dominant policy issues in this cycle are corporate political contributions and lobbying, the environment and sustainability, and human rights issues.

Regent Whitburn reported that the committee was provided with an update on recently completed and ongoing audit projects. Vice Chancellor Bazzell indicated work is being done now with Employee Trust Funds to accelerate the frequency of reconciliations in connection with the HRS challenges. Senior Vice President Morgan reported that the contract with Price Waterhouse should be in place soon; the firm will be doing a risk assessment. As to WiscNet and network services procurement, Regent Whitburn indicated that the procurement was progressing according to schedule.

Finally, Regent Whitburn indicated that the committee received reports that all but one of the campuses had completed implementation of the new policy requiring national criminal background checks on all new hires and certain other recruitments.

Regent Whitburn moved adoption of Resolutions 10180, 10181, 10182 and 10183. The motion was seconded by Regent Walsh and adopted on a voice vote.

UW-Madison Division of Intercollegiate Athletics Contractual Agreement with IMG College Seating, LLC

Resolution 10180: That, upon recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Madison (UW-Madison), the Board of Regents approves the contractual agreement between Athletics and IMG College Seating, LLC.

UW-Oshkosh Extension to Dining Services Contractual Agreement with Sodexo Management, Inc.

Resolution 10181: That, upon the recommendation of the President of the University of Wisconsin System and the Chancellor of the University of Wisconsin-Oshkosh, the Board of Regents approves a four-year extension of the

contract with Sodexo Management, Inc. to provide Dining Services at the University of Wisconsin– Oshkosh.

UW System Trust Funds Voting of 2013 Non-Routine Proxy Proposals

Resolution 10182: That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the voting of the non-routine shareholder proxy proposals for UW System Trust Funds, as presented in the attachment.

UW System Trust Funds Acceptance of New Bequests Over \$50,000

Resolution 10183: That, upon the recommendation of the President of the University of Wisconsin System and the Chancellors of the benefiting University of Wisconsin institutions, the bequests detailed on the attached list be accepted for the purposes designated by the donors, or where unrestricted by the donors, by the benefiting institution, and that the Trust Officer or Assistant Trust Officers be authorized to sign receipts and do all things necessary to effect the transfers for the benefit of the University of Wisconsin.

Let it be herewith further resolved, that the President and Board of Regents of the University of Wisconsin System, the Chancellors of the benefiting University of Wisconsin institutions, and the Deans and Chairs of the benefiting Colleges and Departments, express their sincere thanks and appreciation to the donors and their families for their generosity and their devotion to the values and ideals represented by the University of Wisconsin System. These gifts will be used to sustain and further the quality and scholarship of the University and its students.

- - -

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

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

Regent Bartell reported that the committee meeting began with an excellent presentation by UW-La Crosse. Vice Chancellor Bob Hetzel demonstrated the progress that had been made on the La Crosse master plan from five years before. The committee then considered five resolutions, none of which were particularly controversial, Regent Bartell said.

On behalf of the committee, Regent Bartell moved approval of Resolutions 10184, 10185, 10186, 10187 and 10188. The motion was seconded by Regent Whitburn and adopted on a voice vote.

Authority to Increase the Budget of the Memorial Union Renovation-Phase I Project, UW-Madison

Resolution 10184: That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the Memorial Union Renovation-Phase I project by \$2,000,000 Gift Funds for a total project cost of \$55,200,000 (\$40,500,000 Program Revenue Supported Borrowing and \$14,700,000 Gift Funds).

Authority to Reimburse the City of Menomonie, Wisconsin, for Assessable Improvements, UW-Stout

Resolution 10185: That, upon the recommendation of the UW-Stout Chancellor and the President of the University of Wisconsin System, in association with the municipal Thirteenth Avenue Improvement project in Menomonie, Wisconsin, authority be granted to reimburse the city of Menomonie for assessable improvements valued at \$363,500 (\$273,200 General Fund Supported Borrowing and \$90,300 Program Revenue-Cash).

Authority to Request the Release of Building Trust Funds to Prepare Preliminary Plans and Design Reports for the UW-La Crosse Science Labs Building Project and the UW-Stevens Point Chemistry-Biology Building Project, UW System

Resolution 10186: That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to request the release of \$3,302,000 Building Trust Funds-Planning to prepare preliminary plans and design reports for the UW-La Crosse Science Labs Building project and the UW-Stevens Point Chemistry-Biology Building project.

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

Resolution 10187: That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to construct various maintenance and repair projects at an estimated total cost of \$5,134,700 (\$726,000 General Fund Supported Borrowing; \$1,559,300 Program Revenue Supported Borrowing; \$2,449,400 Program Revenue Cash; and \$400,000 Gifts and Grants).

Authority to Reimburse the City of Madison, Wisconsin, for Assessable Improvements, UW-Madison

Resolution 10188: That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, authority be granted to reimburse the City of Madison, Wisconsin, an estimated

\$112,600 (\$82,200 GFSB-Utility Repair and Renovation [Z080] and \$30,400 Program Revenue-Cash [AGF0]) for an assessment of street and utility improvements on West Johnson Street per section 66.0705(2), Wis. Stats., and transfer all approved GFSB All Agency Allocations to the UW Infrastructure Maintenance [Z450] appropriation.

Regent Bartell noted that Associate Vice President Miller had provided details on the 2013-15 capital budget. He said the committee was very pleased so far with that budget.

- - -

REPORT AND APPROVAL OF ACTIONS TAKEN BY THE EDUCATION COMMITTEE

President Smith then asked Regent Millner, the committee vice chair, to report on the Education Committee in Regent Vásquez's absence.

Regent Millner reported that the committee had a report from Associate Vice President Steven Kolison from the Office of Academic Faculty and Global Programming. The report required no action but provided the committee with an opportunity to have a robust and detailed discussion. Dr. Kolison's report detailed the current array of course offerings at UW campuses and how that array had evolved. There was a decrease in the array of programming but also an increase, such that the number of programs is at about the same level as it was 30 years ago. This does not, however, address the questions of how many students are involved in which programs or of what internal changes had occurred in the course offerings. Campuses have an array of courses that will provide students with the workforce development that the state will need.

The committee approved four resolutions, which Regent Millner moved on behalf of the committee: Resolutions 10189, 10190, 10191 and 10192. Regent Higgins seconded the motion and it was adopted on a voice vote.

Program Authorization (Implementation) Bachelor of Science in Pharmaceutical Sciences, UW-Madison

Resolution 10189: That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Chancellor be authorized to implement the Bachelor of Science in Pharmaceutical Sciences.

Program Authorization (Implementation) Bachelor of Science in Environmental Science, UW-Stout

Resolution 10190: That, upon the recommendation of the Chancellor of the University of Wisconsin-Stout and the President of the University of Wisconsin System,

the Chancellor be authorized to implement the Bachelor of Science in Environmental Science.

Program Authorization (Implementation) Master of Science in Construction Management, UW-Stout

Resolution 10191: That, upon the recommendation of the Chancellor of the University of Wisconsin-Stout and the President of the University of Wisconsin System, the Chancellor be authorized to implement the Master of Science in Construction Management.

Request to Trustees of the William F. Vilas Trust Estate

Resolution 10192: That, upon recommendation of the Chancellors of the University of Wisconsin-Madison and the University of Wisconsin-Milwaukee and the President of the University of Wisconsin System, the Board of Regents approves the request to the Trustees of the William F. Vilas Trust Estate for \$5,825,179 for fiscal year July 1, 2013, to June 30, 2014, subject to availability, as provided by the terms of the William F. Vilas Trust, for Support of Scholarships, Fellowships, Professorships, and Special Programs in Arts and Humanities, Social Sciences, Biological Sciences, Physical Sciences, and Music.

- - -

REPORT OF THE RESEARCH, ECONOMIC DEVELOPMENT & INNOVATION COMMITTEE

President Smith called upon Regent Bradley to present the report of the Research, Economic Development, and Innovation Committee.

Update on UW System Economic Development Initiatives

Regent Bradley reported that Associate Vice President for Economic Development Dave Brukardt gave a brief update on the economic development action plan, highlighting the “three C’s” of communication, connection, and capital. The communication comes in the form of a new web portal and also the use of Twitter to effectively communicate and work with the private sector community and other partners. The connection is asset mapping, which has been done in cooperation with WEDC, to help match UW System expertise with Wisconsin business industry cluster groups. The capital part is the economic development incentive grant program proposed as part of Governor Walker’s budget.

UW-La Crosse Overview of Undergraduate Research Programs

UW System Assistant Vice President Kristine Andrews and UW-La Crosse Provost Heidi Macpherson highlighted the UW System’s and UW-La Crosse’s undergraduate student research efforts.

They reported that UW-La Crosse would be hosting the National Conference on Undergraduate Research later in April. Kris Andrews also provided an overview of the System's work with the Center for Undergraduate Research. She noted that the UW System was one of only two systems in the nation that were awarded a grant for its efforts in undergraduate research. She said the ultimate goal was for the UW System to be the national leader in undergraduate research.

Regent Bradley said that the committee also heard from Dr. Scott Cooper, UW-La Crosse's Undergraduate Research Director. He highlighted the impact that undergraduate research has both on and off the campus. Two student presenters told of their successes. Student presenter Adam Pugh is a current undergraduate student focusing on finance and economics. Presenter Emily Ross is a 2012 UW-La Crosse alumna who had interned and now works full-time for Main Street Ingredients, a member of the Agropur – Cheese and Ingredients Division.

Entrepreneurial/University Business Partnerships Panel Discussion

Regent Bradley noted that the REDI Committee was not quite one year old. As a new committee of the Board, it has been in a fact-gathering stage. He said that Associate Vice President Brukardt had reached out to establish relationships with the campuses and WEDC. The committee had also provided an opportunity for business leaders who had used the research and scholarship of faculty and students to describe that experience.

The committee did so again when Regent Tracy Hribar moderated a panel discussion that included: (1) John Biondi, the president and CEO of Xolve in Middleton, who has worked with UW-Platteville and UW-Madison and is intimately involved with licensing arrangements through WARF and WiSys; (2) Dave Kettner, the CEO of Fused Innovation in Neenah, which provides practical solutions to business owners by tapping into the academic problem-solving functions of faculty members at almost every campus; (3) Dr. Jay Ellingson, Director of Food Safety and Quality Assurance at Kwik Trip, which has a food safety laboratory and which has worked with graduate students on problem solving; and (4) Julie Wagner, a graduate of UW-La Crosse, who is the Vice President of Research and Development for Century Foods International, which is a division of Hormel in Sparta.

Regent Bradley said that the panelists talked about their experiences in intellectual property and projects that they had with various campuses. All in all, they were satisfied, he said. However, they agreed on three things that they said needed more attention on the part of the university: (1) a difference in expectations about project timelines, due to professors' heavy teaching responsibilities; (2) a difference in expectations as to outcome, due to the business owner's not being excited about the process and being focused on the solution, while an academic person is interested in the process as a teaching experience; and (3) a one-size-fits-all licensing agreement, rather than a tailored agreement that fits the company's needs. Regent Bradley said that these were all areas that the university could work on.

- - -

RESOLUTION OF APPRECIATION TO UW-LA CROSSE AS HOST OF THE APRIL MEETING

President Smith next called upon Regent Roberts to read the resolution of appreciation to UW-La Crosse for hosting the April meeting.

Resolution of Appreciation to UW-La Crosse

Resolution 10193: WHEREAS, the Board of Regents of the University of Wisconsin System is pleased to have held its April 2013 meeting at the University of Wisconsin–La Crosse, learning how UW-La Crosse is “Moving Forward Together;” and

WHEREAS, the Regents commend UW-La Crosse’s commitment to undergraduate research, including the campus’s selection as host for the National Conference on Undergraduate Research, an event that welcomes thousands of students and faculty from more than 300 colleges and universities; and

WHEREAS, the Board members are impressed by UW-La Crosse’s commitment to instruction and applaud the College of Business Administration for being the first state university or college — and only the second business school nationally — to receive the Council for Higher Education Accreditation Award for Outstanding Institutional Practice in Student Learning Outcomes; and

WHEREAS, UW-La Crosse has initiated a massive open online course (MOOC) in mathematics, funded by the Bill & Melinda Gates Foundation, which has enticed students ages 11 to 83 from 40 states and 40 countries; and

WHEREAS, the Regents appreciated hearing an update on the Campus Master Plan and are pleased UW-La Crosse is a leader in green building initiatives, with Centennial Hall and Eagle Hall both earning gold ratings in Leadership in Energy and Environmental Design;

BE IT THEREFORE RESOLVED that the Board of Regents hereby extends its sincere appreciation to the University of Wisconsin-La Crosse for the generous hospitality extended by Chancellor Joe Gow and the entire campus community.

The resolution was adopted by acclamation. Regent Roberts expressed his pride in being a UW-La Crosse alumnus and a member of the Board.

- - -

COMMUNICATIONS, PETITIONS AND MEMORIALS

President Smith asked whether there were any communications, petitions, or memorials.

Appreciation for Regents' Service

Vice President Falbo said that he would like to take a moment to recognize Regent colleagues. He said the timing was awkward because the timing of Regent appointments was uncertain. However, it was possible that the April meeting would be the last Board of Regents meeting for Regents Smith and Bartell; he said that he understood that the Governor was ready to make some appointments. Vice President Falbo also noted that it could be the last meeting for Regent Pointer and Regent Tyler. Each of these Regents will be officially honored at an upcoming Board meeting, but speaking on behalf of his fellow Board members, he said he wanted to take the opportunity at the current meeting to thank them for their service.

Saying that being a Regent involves much more than eight board meetings a year, Vice President Falbo recognized that each of the four Regents that he mentioned had devoted themselves to the job in a way that he aspired to meet. He said that that he knew that they would continue to work actively in support of the UW System and their respective universities, but he wanted to say “thank you” at the present time.

Vice President Falbo’s statement was met with enthusiastic applause, and President Smith thanked him for his kind words.

Regents' Visits/Undergraduate Research

Regent Higgins next reported that Regent Millner, Regent Falbo, and he had visited UW-River Falls on Wednesday. UW-River Falls, like UW-La Crosse, is very committed to undergraduate research. Listening to students talk about their experiences was very enlightening. Regent Higgins noted the importance of emphasizing that all of the students are mentored by faculty members who do so without additional compensation and essentially out of the goodness of their hearts. This is another example of faculty who are so committed to their professions that they go above and beyond the call of duty.

- - -

The meeting recessed at 11:47 a.m. and reconvened at 12:02 p.m.

- - -

CLOSED SESSION

President Smith asked Vice President Falbo to present the resolution to move into closed session. The motion was seconded and adopted on a roll call vote, with Regents Bartell, Behling, Bradley, Evers, Falbo, Higgins, Hribar, Manydeeds, Millner, Pointer, Pruitt, Roberts, Smith, Tyler, Walsh, and Whitburn voting in the affirmative. There were no dissenting votes and no abstentions.

Closed Session Resolution

Resolution 10194: That the Board of Regents move into closed session to consider UW-Oshkosh honorary degree nominations, as permitted by s. 19.85(1)(f), Wis. Stats.; to consider the appointment of chancellors at UW-Eau Claire and UW-Madison, as permitted by s. 19.85(1)(c), Wis. Stats.; to confer with legal counsel regarding pending or potential litigation, as permitted by s. 19.85(1)(g), Wis. Stats.; and to consider annual personnel evaluations, as permitted by s. 19.85(1)(c), Wis. Stats.

The following resolutions were adopted during closed session.

Authorization to Appoint: Chancellor, University of Wisconsin-Eau Claire

Resolution 10195: That, upon recommendation of the President of the University of Wisconsin System, James C. Schmidt be appointed Chancellor of the University of Wisconsin-Eau Claire, effective on or about July 15, 2013, at a salary of \$220,000.

Authorization to Appoint: Chancellor, University of Wisconsin-Madison

Resolution 10196: That, upon recommendation of the President of the University of Wisconsin System, Rebecca M. Blank be appointed Chancellor of the University of Wisconsin-Madison, effective on or about July 15, 2013, at a salary of \$495,000.

- - -

The meeting was adjourned at 2:35 p.m.

- - -

Submitted by:

/s/ Jane S. Radue

Jane S. Radue, Secretary of the Board