

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held in 1820 Van Hise Hall
1220 Linden Drive
Madison, WI 53706

September 6, 2013
11:00 a.m.

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Held in 1820 Van Hise Hall
1220 Linden Drive
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Friday, September 6, 2013
11:00 a.m.

- President Falbo presiding -

The meeting, scheduled to begin at 10:00 a.m., convened at 11:00 a.m., following a meeting of the Capital Planning and Budget Committee and a joint meeting of the Business and Finance Committee and Audit Committee, with all Regents invited.

PRESENT: Regents Mark Bradley, Tony Evers, Michael Falbo, Margaret Farrow, Tim Higgins, Tracy Hribar, Chad Landes, Edmund Manydeeds, Regina Millner, Janice Mueller, Drew Petersen, Charles Pruitt, Gary Roberts, José Vásquez, David Walsh and Gerald Whitburn

UNABLE TO ATTEND: Regents John Behling and John Drew

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INTRODUCTION OF NEW REGENT CHAD LANDES

President Falbo began by welcoming new Student-Regent Chad Landes. Regent Landes is from Dane, Wisconsin and is a senior at UW-Platteville, majoring in Animal Science. As one of UW-Platteville's Agriculture Ambassadors, Chad travels to high schools across the Midwest to recruit students to UW-Platteville's School of Agriculture. He is also a volunteer snowmobile safety instructor and an active member of the Association of Wisconsin Snowmobile Clubs. After graduation, Chad plans to attend the UW-Madison School of Veterinary Medicine. In appointing him, Governor Walker noted that Regent Landes' "strong spirit of service and volunteerism" made him a great fit for the Board.

Regent Landes expressed his appreciation, indicated that he had already learned a lot during the past couple of days, and looked forward to his service on the Board.

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OTHER INTRODUCTIONS

UW-Madison Chancellor Rebecca Blank

President Falbo expressed his thanks for Regents' participation in the "Finding Common Ground" conference the prior day and for their early-morning start on committee work prior to the present meeting. He then turned to President Reilly, who officially welcomed UW-Madison Chancellor Rebecca Blank to her first Board of Regents meeting. Chancellor Blank arrived in July and had been busy making the rounds, President Reilly said. She joined the UW after serving as Acting Secretary of the U.S. Department of Commerce, where she managed nearly 45,000 employees and a \$10 billion budget. During her time at the agency, Rebecca worked to promote economic development with an emphasis on connecting research and innovation to job creation and economic growth. She previously served as Dean and Professor of public policy and economics in the Gerald R. Ford School of Public Policy at the University of Michigan from 1999 to 2008.

Before joining the Department of Commerce, she was a fellow at the Brookings Institution, a nonprofit public policy think tank in Washington, D.C. Earlier in her career, she was a member of the faculty at Northwestern University and Princeton University, as well as an Assistant Visiting Professor at the Massachusetts Institute of Technology. She also spent two years, from 1997 to 1999, as a member of the President's Council of Economic Advisers. She earned an undergraduate degree in economics from the University of Minnesota and a doctoral degree in economics from MIT. President Reilly noted that UW-Madison's Babcock Dairy launched a new ice cream flavor named in the Chancellor's honor: "Bec-Key Lime Pie."

Associate Vice President Alexandria Roe

President Reilly also introduced new Associate Vice President for Capital Planning and Budget, Alexandria Roe. She succeeds David Miller in this role, bringing 30 years of experience in architecture and 20 years in government and higher education. She was most recently Director of Planning at the University of Connecticut, where she led all physical planning efforts and managed planning, design, and construction of capital projects as of 2007. She received her degree in Architecture from Virginia Tech. She has received numerous professional awards from higher education, construction, and design organizations, including Woman of Achievement from Professional Women in Construction in 2011.

Interim Vice President Steve Wildeck

Introducing Steve Wildeck, Vice Chancellor for Administration and Finance for UW Colleges and UW-Extension, President Reilly indicated that Mr. Wildeck had graciously agreed to serve as Interim Vice President for Finance, following in Debbie Durcan's footsteps. His experience includes 13 years as a Chief Business Officer within the UW System. President Reilly indicated that Mr. Wildeck's tenure leading the multiple campuses and units that comprise UW Colleges and UW-Extension was great preparation for leadership of UW System's financial affairs.

REPORT OF THE PRESIDENT OF THE BOARD

Reflections on “Finding Common Ground” Conference

President Falbo thanked everyone who participated in the prior day’s “Finding Common Ground” conference, including the 200+ people who attended and key people who worked behind the scenes. He mentioned specifically Vice President Millner, Board of Regents Office Executive Director Jane Radue and Special Assistant Jess Lathrop, and UW System Strategic Communications Manager Heather LaRoi. [The conference was entitled “Finding Common Ground: Regent Governance, Funding & Partnerships for Wisconsin’s Public University System.”]

President Falbo indicated that Chancellor Emeritus Charlie Reed of the California State University System provided useful tips about building a broad array of partnerships with other educational entities, communities, businesses, and legislators. Legislators indicated they were interested in change, such as structural change or potential statutory changes; a provocative question was raised about whether the Board exists to be more of a “cheerleader” or “watchdog.” A common theme was to urge the university to change the way it communicates, especially with regard to matters of financial transparency, educational performance, and measurable outcomes. President Falbo indicated that he agreed. He also noted that chancellors and legislators alike expressed the need to balance campus autonomy and flexibility with accountability and oversight.

The purpose of the conference was to bring people together, and President Falbo said that the act of coming together had intrinsic value, even if there were occasional disagreements. The next question would be how to move forward and change. He said that how the university and Board go about their work must change, and this would almost certainly involve more difficult conversations. However, the overarching goal remains to strengthen all UW institutions and enhance their service to Wisconsin students, families, businesses, and communities.

Visits with Chancellors

President Falbo noted that it was a high priority of the Board to establish strong and open lines of communication with constituents around the state. To that end, he and Vice President Millner had been visiting with the chancellors, having met with all except Chancellor Sorensen. He said that he and Regent Millner had enjoyed the chancellors’ openness and input, and themes from the visits would be incorporated into the planning process. President Falbo thanked the chancellors and also thanked President Reilly for his support of the visits.

REPORT OF THE PRESIDENT OF THE SYSTEM

President Reilly began his report by also reflecting on the “Finding Common Ground” conference. He thanked President Falbo and Vice President Millner for their hard work in putting together the conference. He acknowledged that it was a tricky endeavor and said that if it were not for their hard work, along with the efforts of Ms. Radue, the conference would not have come together as well as it had.

President Obama and Performance-Based Funding

President Falbo called upon President Reilly for his report. President Reilly indicated that on August 22, President Obama gave a major speech at the University of Buffalo on his plans to help make college more affordable for middle-class American families. In one part of that speech, he acknowledged the UW System’s innovative efforts to make college more accessible for working adults who want to complete their degrees while meeting work and family obligations. With quality assured by UW faculty, these programs will serve citizens well and strengthen the workforce.

President Reilly said that the part of President Obama’s address that garnered far more attention was the idea of tying federal financial aid programs to institutional performance measures. This is an unusual approach to so-called “performance based funding.” At the state level, performance funding is rarely, if at all, connected to financial aid but, rather, is almost exclusively for operating appropriations. Linking funds to students via financial aid in this way presents some serious new issues. For example, the most widely used data on graduation rates, one of the President’s proposed performance indicators, include only first-time, full-time students who graduate within six years at the institution where they first enrolled.

President Reilly said that reactions to President Obama’s proposal had been mixed. The American Council on Education warned that tying the financial aid to certain metrics could have a profoundly negative impact on the very students and families the administration is trying to help. Georgetown University’s Tony Carnevale cautioned against using post-collegiate earnings, another of the President’s proposed metrics, as a way to compare one college to the next, saying that earnings data at the institution-wide level are flawed and favor more elite institutions, “which send fewer graduates into lower-paying fields.” Earnings data are also greatly influenced by an institution’s program array, and could result in institutions moving away from offering degrees in important, but lower-paying fields, such as counseling or child development. In addition, President Reilly noted that earnings data only measure earnings in the first few years following college and do not reflect lifetime earning potential.

On the positive side, President Reilly indicated that the President’s plan could raise awareness of current income-based repayment options for federal loan programs, and make more students eligible to participate in these programs. At present, he said, it does not appear that there is adequate evidence as to whether or not income-based, or “contingent” repayment, is one of best ways to either mitigate the impact of student loan repayment, or allow students to pursue careers in fields or occupations, such as public service, which may be lower paying. To date, the

evidence only points to the fact that expansion of income-related repayment would reduce default rates, and might reduce the federal government's collection costs on defaulted loans.

The maintenance-of-effort provision is another positive component, which requires continuing present funding levels by state governments, similar to provisions included in the 2009 economic stimulus legislation. In this regard, the President's plan recognizes that one of the main drivers of increasing tuition is the states' disinvestment in higher education. Additionally, the proposed federal plan would offer incentives to states and colleges that experiment with innovative cost-containment strategies. The UW System's Flexible Option could benefit from these incentives.

Earnings Potential of College Graduates

President Reilly next referred to a report by careers website TheLadders, which suggests in a *Business Insider* article that initially "many students will find themselves earning the same amount as people without a degree." However, researchers found that individuals without a degree move slowly towards their highest earning potential, with somewhat stagnant early years. Individuals with a college degree may start in the same compensation range, but grow exponentially over the course of their careers. Ten years after graduation, people with at least a four-year degree see their compensation rise by about \$3,778 a year, as compared with \$369 for non-graduates. After 20 years, graduates earn \$25,000 more than those without a four-year diploma. President Reilly suggested that even with student loan debt, the data indicate that college is a solid long-term investment.

Associate Vice President Heather Kim Elected to National Student Clearinghouse Board

President Reilly announced that Heather Kim, Associate Vice President for Policy Analysis and Research, was elected to the National Student Clearinghouse Board. Among other things, the National Student Clearinghouse's access to nationwide data on postsecondary enrollment and degree records makes it possible for higher education institutions to track transfers on to graduation, and to collect much more accurate and complete retention and graduation data. So, with the Clearinghouse's data, a student who starts at one institution and graduates from another is not counted as a "dropout" or failure. This is an improvement in providing a truer picture of results.

In closing his remarks, President Reilly read from *Opened Ground*, a book of poems by recently-deceased Irish poet and playwright Seamus Heaney.

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REPORT AND APPROVAL OF ACTIONS TAKEN BY THE RESEARCH, ECONOMIC DEVELOPMENT AND INNOVATION COMMITTEE

President Falbo called upon Regent Higgins for a report of the Research, Economic Development, and Innovation Committee. Regent Higgins expressed thanks to Associate Vice President David Brukaradt, Senior Vice President David Miller, Senior Vice President Mark Nook, and Program and Policy Analyst Cody Loew for their recent work on the economic incentive grant process, for submission to the Department of Administration.

With respect to those grants, campuses will be asked to submit funding proposals for economic development programs, programs for the developments of an educated and skilled workforce, and programs to improve affordability of post-secondary education for resident undergraduates. Approximately 35 to 40 applications are expected.

The Research, Economic Development and Innovation (REDI) Committee meeting, held by teleconference on August 26, 2013, dealt mostly with the economic incentive grant process. During that meeting, Senior Vice President Miller provided an overview of the history, intent, and status of the economic incentive grants. Committee discussion pertained to particulars of the grants (e.g., the funding is not base-building), evaluation criteria, and selection-committee composition. Regent Higgins invited Regents to review a written overview of the incentive grant selection process, which had been distributed. Since the time of the committee meeting and the posting of the committee materials, three changes had occurred: WiSys was removed, since it is ineligible to apply for funding; selection committee membership had been modified to include seven members from within the System and eight members from outside the System, with former Regent Jeff Bartell having agreed to chair the committee as a non-voting member; and the timetable had been modified to include a meeting of the REDI Committee on November 1, 2013 for the purpose of approving the grantee selections. With the fiscal year already well underway, Regent Higgins stressed the importance of making selections as soon as possible so that the funded work can begin before the semester break.

Regent Higgins moved approval of Resolution 10247, which had been adopted by the REDI Committee on August 26. The motion was seconded by Regent Bradley. President Falbo expressed his thanks for the committee's work to develop a grant process in a short period of time.

During the ensuing discussion, Regent Farrow asked whether DOA could be asked to move quickly with its approval of the UW's grant submissions. Senior Vice President Miller responded by providing assurance that, based on a recent conversation with DOA Secretary Huebsch, good cooperation could be expected from DOA. Regent Petersen acknowledged the efforts of Regent Higgins to include legislative representation on the selection committee (in the form of committee members nominated by the Speaker of the Assembly and the President of the Senate) and to ensure REDI Committee involvement in the grant-award process. At the close of the discussion, the resolution was adopted on a voice vote.

Approval of the Incentive Grant Program Request for Proposals Plan

Resolution 10247: That, upon recommendation of the President of the University of Wisconsin System, the UW System Board of Regents approves and recommends submission of the Incentive Grant Program Request for Proposals Plan to the Secretary of the Department of Administration and the Joint Committee of Finance for 14-day passive review, as required and defined by Section 36.25 (52) of state statutes.

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

President Falbo called upon Regent Whitburn for a report of the joint meeting of the Business and Finance Committee and Audit Committee, held earlier that morning. Regent Whitburn reported that the committees, which had met jointly, received a report on gifts and grants; approved three contracts; approved a plan identifying the sources of program revenue resources to be used during the 2013-15 biennium to fund certain programs, including the incentive grants; and approved a policy to allow classified staff from each of the campuses to structure themselves, select representatives, and participate in institutional governance.

The committees also approved a modification to the account-balances methodology document that the Board had approved in July, to consider federal indirect balances separately; received an update on progress in developing a policy on carry-forward program-revenue balances; and adopted resolutions approving the reporting structure for the Chief Audit Executive and adopting an Audit Committee charter. It was resolved that the Chief Audit Executive would report both to the Board through the Audit Committee and to the System President. The System President and the Chair of the Audit Committee would have joint responsibility for the hiring, performance evaluation, and compensation of the Chief Audit Executive. The Committee also received an update on current and planned audit activities.

Finally, Regent Whitburn reported that the committees heard from consultants from Price Waterhouse Coopers on their risk assessment of the Human Resource System implementation and operations. The consultants shared a series of risk-related recommendations, some more serious than others, concerning the governance structure of the Service Center, the evaluation and evolution of internal controls, the adequacy of training, suggested tightening of user access, and the complexity of the UW's benefit plan structures. The committees also received a report from staff regarding steps being taken to address the recommendations. Among other things, the reporting structure of the Service Center director and staff is being reviewed, with an update to be provided at the October meeting.

Regent Whitburn moved adoption of Resolutions 10248, 10249, 10250, 10251, 10252, 10253, 10254, and 10255, which had been approved by the two committees. The motion was seconded by Regent Roberts and adopted on a voice vote.

UW-Madison Division of Intercollegiate Athletics Contractual Agreement with Cowboys Stadium LP, Stadium Events Organizing Committee, ESPN Productions, Inc., and the Board of Trustees of the University of Alabama

Resolution 10248: That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement and addendum between the University of Wisconsin-Madison Division of Intercollegiate Athletics and Cowboys Stadium LP, Stadium Events Organizing Committee, ESPN Productions, Inc., and the Trustees of the University of Alabama.

UW-Madison Contractual Agreement with Alcon Research, Ltd.

Resolution 10249: That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the University of Wisconsin-Madison and Alcon Research, Ltd.

Regent Policy Document on Classified Staff Governance

Resolution 10250: WHEREAS the 2013-15 biennial budget delayed by two years Wis. Stat. § 36.115, authorizing the Board of Regents and the Chancellor of UW-Madison to establish and implement two personnel systems, separate and distinct from the State personnel system under Chapter 230; and

WHEREAS this delay means that classified staff will remain under the auspices of the Office State Employment Relations for the next two years delaying the creation of “University Staff” as an employment category in the UW System; and

WHEREAS notwithstanding this delay, classified staff are valued members of the university workforce who contribute in a broad array of positions in support of the University’s mission; and

WHEREAS faculty and academic staff have established governance rights; and

WHEREAS most of the UW System institutions have for years provided classified staff with an active voice in institutional decision making over matters which impact them; and

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

NOW, THEREFORE, BE IT RESOLVED:

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves, effective September 6, 2013, the attached Regent Policy Document on Classified Staff Governance, which authorizes the classified staff of each UW System institution to structure themselves in such manner as they determine and to select representatives to participate in institutional governance.

UW-Madison Contractual Agreement with EyeKor, LLC

Resolution 10251: That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the University of Wisconsin-Madison and EyeKor, LLC.

Approval of One-Time Funding from Program Revenue Balances in the 2013-15 Biennium

Resolution 10252: That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the attached plan identifying the sources of program revenue resources that will be used during the 2013-15 biennium to fund Incentive Grants, the Flexible Options program, Wisconsin Academy for Rural Medicine and Training in Urban Medicine and Public Health (WARM/Triumph), Translational Imaging (Carbone Cancer Center), and funding for the Wisconsin Higher Education Grant program for UW Students.

Amended Methodology to Calculate UW System Program Revenue Appropriation Balances and Reserves

Resolution 10253: That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the amended methodology to calculate UW System Program Revenue Appropriation Balances and Reserves and directs the President to re-submit the methodology to the Joint Audit Committee for its subsequent review and approval.

Approval of the Chief Audit Executive's Reporting Line

Resolution 10254: That, upon the recommendation of the President of the Board of Regents, the Chief Audit Executive shall report to the Board of Regents through the Audit Committee directly and to the President of the System. The UW System President and the Chair of the Audit Committee have joint responsibility for the hiring, performance evaluation and compensation of the Chief Audit Executive.

Approval of the Board of Regents Audit Committee Charter

Resolution 10255: That, upon the recommendation of the President of the Board of Regents of the University of Wisconsin System, the Board of Regents adopts the attached Audit Committee Charter to define the roles of the Board of Regents Audit Committee created at the Board's July 12, 2013 meeting.

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

President Falbo called upon Regent Manydeeds for a report of the Capital Planning and Budget Committee. Regent Manydeeds briefly reviewed the motions that the committee had adopted earlier in the morning. He then moved approval of Resolutions 10256, 10257, 10258, and 10259; the motion was seconded by Regent Whitburn and adopted on a voice vote.

Approval of the Design Report and Authority to Construct the University Houses Renovation Project, UW-Madison

Resolution 10256: That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the University Houses Renovation project at an estimated total project cost of \$15,000,000 (\$8,000,000 Program Revenue Supported Borrowing and \$7,000,000 Program Revenue-Cash).

Approval of the Design Report and Authority to Construct the McCalmont Hall Renovation Project, UW-Stout

Resolution 10257: That, upon the recommendation of the UW-Stout Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the McCalmont Hall Renovation project at an estimated total project cost of \$7,893,000 Program Revenue Supported Borrowing.

Approval of Design Report and Authority to Construct the Ramer Field Renovation-Phase I-Press Box Replacement Project, UW-River Falls

Resolution 10258: That, upon the recommendation of the UW-River Falls Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the Ramer Field Renovation-Phase I-Press Box Replacement project at an estimated total project cost of \$2,140,000 (\$300,000 Program Revenue Supported Borrowing, \$200,000 Program Revenue-Cash, and \$1,640,000 Gift Funds).

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

Resolution 10259: 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 \$4,483,300 (\$2,989,400 General Fund Supported Borrowing; \$459,300 Program Revenue Supported Borrowing; and \$1,034,600 Program Revenue Cash).

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RESOLUTION OF APPRECIATION FOR VICE PRESIDENT DEBORAH DURCAN'S SERVICE TO THE UW SYSTEM

President Falbo noted that the Board would be recognizing the service of Vice President for Finance Debbie Durcan. He asked President Reilly and Regent Bradley to say a few words. President Reilly noted that Vice President Durcan had recently announced her retirement after 37 years of service to the UW System.

President Reilly said that Ms. Durcan had made a difference to the UW System in ways both big and small. Through thick and thin, she could always be counted on to provide invaluable counsel to him and his Cabinet regarding the financial impact of programmatic decisions on institutional and UW System business operations and financial status. She also served on the board of Wisconsin's college savings program, EdVest. He joked that Vice President Durcan's professionalism and expertise with regard to financial matters could be matched only by her encyclopedic knowledge of popular song lyrics, citing road trips that involved singing for the entire trip. Referring to her as a cherished colleague, he said that she had also been known to pen a rhyming couplet or two to commemorate the careers of departing colleagues.

Regent Bradley took the podium to introduce the Resolution of Appreciation. He said that Vice President Durcan was the first member of the UW System staff that he got to know well as a Regent. Soon after being appointed to the Board of Regents, then-President Marcovich asked him to chair the Business, Finance and Audit Committee; Regent Marcovich assured him that with Debbie Durcan staffing the committee, he would have nothing to worry about. Regent Bradley affirmed that he didn't have anything to worry about. He thanked Vice President Durcan for shepherding him through as committee chair and for her tremendous staff work for the committee. He praised Ms. Durcan's thoroughness, good judgment, and outstanding commitment to providing for students, assisting campuses, and generally helping the Board of Regents carry out its mission.

Regent Bradley said that the Board also benefited from the breadth and depth of Vice President Durcan's expertise, both at a state and a national level, as reflected in the Resolution of Appreciation. Regent Bradley read the resolution, which was met with a standing ovation and adopted by acclamation.

Resolution of Appreciation for Vice President Deborah Durcan's Service to the UW System

Resolution 10260: **WHEREAS**, Deborah A. Durcan has honorably served the University of Wisconsin System, and all six UW System Presidents since merger, with great dedication and distinction for 37 years, including the past 14 years as Vice President for Finance; and

WHEREAS, her position as the university's chief financial officer is the culmination of a productive and distinguished career – greater than the sum of its parts – in which she has “risen through the ranks,” starting as an accountant after earning her degree from UW-Madison, and subsequently being promoted to Assistant Director for Financial Reporting; Director of Accounting Services/Associate Controller; Controller; Associate/Assistant Vice President for Financial Administration; and finally, in 1999, Vice President for Finance; and

WHEREAS, she has led a broad array of business and finance operations, including Financial Administration, Financial Reporting, Travel Management, Internal Audit, Procurement, Risk Management, and Trust Funds, with a combined staff of over 60 individuals, and has convened monthly meetings of the institutional chief business officers, engaging the collective wisdom and insights of the group to identify best practices and address challenges; and

WHEREAS, she has coordinated the activities of the Board of Regents' Business and Finance Committee, working closely with the committee members, UW System Administration, and institutional representatives, to ensure efficient and effective meetings, and has contributed to more standardized, streamlined operations through co-chairing the UW System Common Systems Review Group and implementing the UW System's Shared Financial System; and

WHEREAS, Debbie has been an active member of several professional associations, serving on the Board of Directors of the Central Association of College and University Business Officers (CACUBO), chairing the 2004 annual meeting of its national counterpart (NACUBO), and currently serving on the NACUBO Research Universities Constituent Council, while also serving on the State of Wisconsin's College Savings Board; and

WHEREAS, Debbie helped create WiSys, coordinating efforts to bring Wisconsin Alumni Research Foundation expertise to UW comprehensive institutions, and has sponsored many significant efficiency and security efforts across UW institutions, including enterprise risk management assessments, Lean Manufacturing Principles training, and the creation of continuity of operations and pandemic plans; and

WHEREAS, Debbie’s broad mastery of complex financial rules – together with her hallmark eloquence, calmness, good cheer, and collegiality – have led her to provide invaluable counsel to the President and Cabinet members, helping the UW System develop sound financial policies and practices, ensure fiscal integrity, and achieve academic missions in the spirit of the Wisconsin Idea;

BE IT THEREFORE RESOLVED that the University of Wisconsin System Board of Regents highly commends and thanks Deborah A. Durcan for her years of service spanning four decades, and her incalculable contributions to higher education in Wisconsin, and extends its sincere best wishes in her retirement and all her future endeavors.

Vice President Durcan began her remarks, saying it was hard to believe that she was speaking exactly 37 years to the day after beginning as an entry-level accountant with the UW System Office of Financial Reporting. She said that it had been an incredible journey, with highlights too numerous to mention. However, she said she would share advice she was given and lessons she learned along the way.

She recalled early advice from her parents, saying that her dad told her, “Laugh, and the world laughs with you; cry, and you cry alone.” The actual quote, she later found, was “weep, and you weep alone,” and this was written by a Wisconsin poet named Ella Wheeler Wilcox. She said she took the words to heart and can laugh about just about anything. She said she also got strong advice from her mother, who told her to get a good education so she could get a good job and tell the men to “go to hell.” Vice President Durcan said that she had gotten a good education and a good job. Sadly, her mother passed away before Ms. Durcan could show her mother her favorite photo, of then-President Lyall’s cabinet in 2002, taken on a day when David Olien was missing; there were no men in the picture!

Ms. Durcan said that she had learned early during her UW career about humility and how to treat people. She told a story of a bowling league that included UW System employees, through which she met Ruben Lorenz, Vice President. She said that his nonchalant manner left an impression on her; titles and jobs don’t matter – everyone plays a role in the success of the System. Mr. Lorenz also taught Ms. Durcan about the importance of professional development and the joy of giving back to your profession. She followed his lead by being active in the regional and national-level Association of College and University Business Officers.

She described being asked to assume the presidency of these organizations and said that the timing was not right, because it would have meant more travel. She said that she thus learned balance, a difficult state to achieve for a professional woman with a family. She said that the balance for her family was to stay in Madison, even when other professional-association and job opportunities called.

Vice President Durcan said she learned patience and persistence in her career. In higher education there are two ways to move up the ladder, she said. One is the fast way, involving relocating and changing universities every three, five, or seven years. The other way is slower

and more methodical. Through patience, persistence, and some luck, she said, “you may just find yourself where you were aiming to be.”

Ms. Durcan said that she also learned patience and persistence in her work. Management flexibilities, for example, are something the System has been striving for a long time. Often, though, there is not a full appreciation of the progress that has been made. She said, for example, that when she started with the System, UW institutions would actually pack up their payment vouchers and ship them to Madison, where System staff would check over the work before the checks were cut. Although it is frustrating to not have more flexibility, things are better than they used to be. She urged the UW System to “keep up the good fight!”

Vice President Durcan said that she learned about the uniqueness of the UW institutions. Campus visits were a good way to learn about the challenges and opportunities that each institution faced. She referred to former President Weinstein’s statement that making change is often like moving a battleship with your bare hands.

With respect to leadership, Ms. Durcan said that she learned a lot about strong, solid leadership during the “breakaway budget” (two years earlier). She said that the leadership demonstrated by then-Regent President Pruitt and President Reilly during that time was exceptional. They solidified the Board and chancellors around a common purpose. It was a stressful painful time, but in the end, a uniting time.

Ms. Durcan thanked her husband for his support during her career; her family, especially her three children; and her friends for reminding her that there was more to life than work. She also expressed gratitude to President Lyall for appointing her to the Vice President position 14 years ago and to President Reilly for keeping her throughout his tenure. She said that she had had the pleasure of working with many smart, talented, hard-working, and devoted people. She said she had loved the mental challenge and variety of work and people working toward such an important purpose. She expressed thanks to the chancellors, provosts, and chief business officers (the “rocks” of the institutions). Vice President Durcan also thanked her colleagues in System Administration, on Cabinet, and on her Finance team. She said it had been a pleasure and a privilege.

President Falbo added a personal note of thanks, recalling that when he was first appointed to the Board, before sitting at the Board table, he attended a series of meetings during which he was seated near Vice President Durcan and then-General Counsel Pat Brady. He noted that he had learned a great deal during those first meetings, and he wished Ms. Durcan and her husband “happy trails.”

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BOARD OF REGENTS PLANNING PROCESS

President Falbo indicated that the next item on the agenda would be a status report from the Board committees on their goals. He noted that the committees had been working to identify priority areas that help support several overarching goals, such as: (1) ensuring that the Board’s

work aligns with the strategic goals of the System's universities, colleges, and Extension; (2) structuring the administration of the System to most effectively support and strengthen the UW institutions, thereby strengthening the UW's service to students, families, and other stakeholders; and (3) further developing the Board's and System's role in advocating for System institutions, emphasizing two-way effective communication with campuses, legislators, the Governor, and the citizens of the state. He asked each committee chair to report on his committee's progress to date in identifying priorities.

Education Committee Goals – Committee Chair's Progress Update

President Falbo called upon Regent Bradley, who began by thanking those who had contributed ideas and suggestions in response to the initial-draft ideas shared by Regent Falbo at the June Board meeting. Drafts had been shared with chancellors, provosts, and selected System staff. At the July Education Committee meeting, and since then, further comments were received. As committee chair, Regent Bradley said that he had considered the feedback and he would highlight some tasks ahead for the committee, not yet in final form.

Regent Bradley started with the question of how the Education Committee can exercise guardianship over high-quality education within the System during the next academic year and beyond. First, the committee can provide support for the examination of important policy issues, including reviewing the UW admissions policy, remedial education, associate degree standards and policies, and the 30-credit general education transfer legislation. As part of that work, the committee will continue to exercise leadership on equity and inclusion, including reviewing the effectiveness of efforts to serve diverse students.

Second, the committee can provide leadership on the complex issue of faculty work, which includes everything that faculty members are asked to do as part of their jobs. It must be recognized that the expectations of faculty members go beyond counting the number of hours that they are in the classroom. In that regard, he suggested inviting somebody with recognized expertise in this area to speak with the Board; an example would be Michael Middaugh, who wrote the book, Understanding Faculty Productivity.

Third, Regent Bradley suggested that the Education Committee could help generate ideas about recruiting and retaining quality faculty, creating sufficient support for research activities at both doctoral and comprehensive institutions, and assisting in the discussion of the involvement of faculty in technology transfer and economic develop, and how to address the fair compensation crisis. The goal is to produce high-quality graduates for the state of Wisconsin; it is uniformly held that the way to do this is to hire, retain, and help develop high-quality faculty and instructional academic staff.

Finally, Regent Bradley suggested that the Education Committee can work with and assist the other committees of the Board, particularly, for example, in their analysis of costs and revenues as they relate to quality, access, and student success.

Regent Bradley said that the foregoing ideas reflected some of his ideas as committee chair; they do not necessarily reflect the ideas of the committee, because the committee still needs to discuss them.

Research, Economic Development and Innovation Committee Goals – Committee Chair’s Progress Update

President Falbo called upon Regent Higgins, who began by acknowledging the leadership of Regent Bradley, who was the initial chair of the Research, Economic Development and Innovation Committee. Regent Higgins said that the REDI committee’s mission, which echoes one of the goals of the *Growth Agenda for Wisconsin*, is to work with WEDC and WiSys to leverage the talent, knowledge and enthusiasm of the faculty, staff and students of the UW’s two-year campuses and four-year-comprehensive universities, in conjunction with local businesses and economic development organizations, to create jobs in Wisconsin.

Highlighting some of the underlying principles of this mission, Regent Higgins said that there is already a great deal of research, economic development activity, and innovation going on within the System, and there is no desire to have the REDI Committee constrain the creativity and experimentation of individual campuses. The doctoral institutions have an established infrastructure for technology transfer, business partnerships, and the nurturing of start-up firms that can serve as models for the other campuses.

There are many definitions of economic development, but they all come down to increasing the number of jobs in a given area, Regent Higgins said. The REDI Committee and WEDC are focused on increasing the number of jobs in Wisconsin. The most logical means for doing this is to transfer technology to found or expand businesses that UW campuses serve. It is also important to expand research and internship opportunities for undergraduates. These high-impact educational practices also improve retention and graduation rates, two other elements of the *Growth Agenda*.

Based on these underlying principles, the committee’s strategic plan is focused around four C’s: communication, community, capital, and campuses. Regent Higgins referred Board members to the meeting materials for more information, saying that Associate Vice President Brukardt had been diligent in identifying 20 specific goals to be accomplished and providing updates and status reports at each REDI Committee meeting. Progress is either on target or ahead of the plan for each of the 20 items.

Capital Planning And Budget Committee Goals – Committee Chair’s Progress Update

President Falbo called upon Regent Manydeeds, who reported that the Capital Planning and Budget Committee had had one meeting so far to discuss its goals. The committee focused on goals and strategies. Goals discussed were to engage in policy development to: (1) ensure that capital planning decisions align with each institution’s mission, with their strategic enrollment, and academic planning; (2) fully engage in integrated planning; and (3) identify ways to reduce burdensome processes and provide more flexibilities to campuses.

The committee also discussed its potential for involvement in the formulation of strategies that would: (1) align capital budgets with institutional priority, physical development and program considerations; (2) engage institutions in a process to insure facilities operations integration with capital planning; (3) develop a systematic approach toward establishing a deferred maintenance program; and (4) identify innovative strategies to fund future facilities renewal. The committee also discussed ways to repurpose buildings, to ensure that the space available on campuses is used to its fullest.

Business and Finance Committee Goals – Committee Chair’s Progress Update

President Falbo called up Regent Whitburn, who indicated that the Business and Finance Committee had not yet met to formally work on goals. However, draft goals had been circulated, and feedback was received from all of the committee members. Immediate-focus items included: (1) the development of Regent policies required by the legislature, namely the establishment of a carry-forward policy; and (2) policies related to tuition and GPR distribution to institutions and to the utilization of tuition and GPR funds throughout the fiscal year. In addition, Regent Whitburn indicated that President Falbo had directed the committee to focus on the business of integrating the budget and financial planning and reporting.

The committee also looked forward to a focus on: (1) helping drive efforts in the legislature and executive branch to accomplish the enactment of statutory change to provide the Regents with the pay-plan flexibility that initially was proposed by the Governor in the recent budget; and (2) bringing in and facilitating an external examination of global operational efficiencies across the campuses and the System. Georgetown economist Tony Carnevale told the Board at a previous meeting that, aside from the airline industry, higher education is the most inefficient industry in the American economy.

Audit Committee Goals – Committee Chair’s Progress Update

Regent Falbo asked Regent Whitburn to report on the Audit Committee’s Goals. Regent Whitburn indicated that the first task of the new committee would be to work with Senior Vice President David Miller and others on recruiting the Chief Audit Executive. The committee would also focus on the restructuring plan across the System related to the audit function recommended by the Baker Tilly report from July. The committee would also be developing a two-year audit plan designed to address critical audit and financial risk and compliance issues. This would be a transitional period in the audit arena.

Governance/Board Operations – Regent Vice President’s Update

President Falbo indicated that he had asked Vice President Millner to take the lead on identifying priorities related to Board governance. He turned to Vice President Millner for her report. She recalled that when President Falbo introduced the idea of a planning process, he not only asked the committee chairs to do the heavy lifting of working with their fellow Regents to identify goals and priorities for each committee, but he also asked her to look at overall Board operations. She said that during the past several weeks, she had worked closely with President Falbo and Executive Director Radue to identify five areas of focus for the next two years. She

noted that some of the priorities were intended to continue the good work that Regents Bradley, Pruitt, and others put into motion during the past few years. She listed the priorities:

- Priority #1: Implement a Board of Regents assessment process to evaluate the Board's effectiveness as a governing body, providing Regents the opportunity to evaluate themselves as a group, using tools available from the Association of Governing Boards and others.
- Priority #2: Revisit the recommendations from the Board of Regents Ad Hoc Committee on Board Roles and Responsibilities, an effort led by Regent Bradley, approximately 18 months before, to examine how the Board can best meet its key responsibilities. That committee made a number of recommendations, some of which were adopted, and some of which were not, and the work of that group would be revisited.
- Priority #3: Continue the process of reviewing, revising, and updating the body of Regent Policy Documents, an effort initiated by Regent Pruitt several years earlier. While this work has been a priority of the Board Office, competing priorities have limited staff's ability to make as much progress as they would have liked in this area. Some of the Board's policy documents are current and applicable, some policies need updating, and some may be obsolete. The goal is to complete the review of at least 25 more policies during the next two years.
- Priority #4: Monitor the priorities and goals identified by the standing committees. Quarterly meetings of the Regents' Executive Committee are due to be planned for this purpose.
- Priority #5: Examine the effectiveness and operations of the Board of Regents Office. At Executive Director Radue's request and recommendation, Regents would be asked to provide feedback on Board Office operations. Vice President Millner said that, in addition, at her request and recommendation, the staffing of the Office would be evaluated to ensure the Board is sufficiently staffed to meet its responsibilities.

Vice President Millner concluded her remarks by saying that shortly after he was elected President of the Board, Regent Falbo said that he thought the Board had some work to do, and he encouraged the Board to become more engaged in supporting UW chancellors and institutions. Vice President Millner expressed the hope that the stated priorities would contribute to this effort.

Following Vice President Millner's remarks, Regent Vásquez asked if it would be possible to receive a copy of all of the Board's goals in a single document. President Falbo indicated that this would be the eventual plan.

President Falbo also commented that Regents had been making many campus visits. Acknowledging that this is intrusive to day-to-day operations, he indicated that Regents' intention is to be helpful to campuses in any way they can.

The meeting recessed at 12:30 p.m. and reconvened at 12:45 p.m.

CLOSED SESSION

President Falbo called upon Regent Millner to present Resolution 10261 to move into closed session. The motion was adopted on a roll-call vote, with Regents Bradley, Evers, Falbo, Farrow, Higgins, Hribar, Landes, Manydeeds, Millner, Mueller, Petersen, Pruitt, Roberts, Vásquez, Walsh, and Whitburn voting in the affirmative. There were no dissenting votes and no abstentions.

Closed Session Resolution

Resolution 10261: That the Board of Regents move into closed session to confer with legal counsel regarding pending or potential litigation, as permitted by s. 19.85(1)(g), Wis. Stats.

The meeting was adjourned at 1:15 p.m.

Submitted by:

/s/ Jane S. Radue

Jane S. Radue
Executive Director and Corporate Secretary
Office of the Board of Regents