The meeting of the Capital Planning and Budget Committee was called to order at 2:48 p.m. by Committee Chair Regent Edmund Manydeeds in the Overture Room of the Gordon Dining and Event Center on the UW-Madison campus. Regents José Delgado, Tony Evers, Janice Mueller, Anicka Purath, José Vasquez, and Gerald Whitburn were in attendance. Regent David Walsh was absent.

I.3.a. **Approval of the Minutes of the October 9, 2014, and November 6, 2014, meetings of the Capital Planning and Budget Committee**

After receipt of a motion and second, the minutes of the October 9, 2014, and the November 6, 2014, meetings of the Capital Planning and Budget Committee were approved as presented.

I.3.b. **UW-Madison: Authority to Construct the Grainger Hall Collaborative Learning Classroom Project**

This item requested authority to convert two existing classrooms into an active learning classroom. The conversion will provide wheelchair access to seating and demonstration areas as well as modern instructional technology. The School of Business will provide the $495,000 of gift funding for this project.

Associate Vice President Alex Roe explained that this conversion will create flexible spaces for an active learning environment and added that a request for proposal has been published, proposals submitted, and a team selected for the project.

Upon the motion of Regent Vasquez, and the second of Regent Manydeeds, the Committee approved Resolution I.3.b.

**Resolution I.3.b.**

That, upon the recommendation of the UW-Madison Chancellor and the President of The University of Wisconsin System, authority be granted to construct the Grainger Hall Collaborative Learning Classroom project for the School of Business for a total estimated project cost of $495,000 Gift Funds.

I.3.c **UW System: Authority to Seek Enumeration of Additional 2015-17 Capital Budget Projects**

This item requested authority to modify the 2015-17 Capital Budget recommendation by adding three additional program revenue supported project requests that are now ready to submit to the Department of Administration. Those projects are the UW-Extension Continuing Education/Outreach E-Learning Building, the UW-La Crosse Fieldhouse, and the UW-Madison: South East Recreational Facility (SERF) Replacement. The original version of this request was revised to add a utility portion to the work of the UW-La Crosse Fieldhouse project. (New steam, chilled water, and primary electric/signal utilities will be added along Pine Street between East Avenue and the site of the new fieldhouse.)
Ms. Roe began by briefly describing the UW-Extension request by saying that the Continuing Education/Outreach E-Learning division needs additional space to accommodate their growing enrollment and staffing needs. They would like to enter into a lease/purchase agreement, and in order to acquire a building in that manner, the request must be enumerated.

Regent Whitburn commented that these three additional projects substantially increase the amount of program revenue supported borrowing that was approved for the capital budget last August by $67M and asked if this request for additional bonding is a problem and if the projects were being handled in a timely way.

Ms. Roe stated that the budget guidance given by the Department of Administration included a limitation on the amount of general fund supported borrowing, but did not suggest a limit for program revenue supported borrowing. She continued by explaining that a program revenue supported project would not move forward if an institution did not have the program revenue to fund the project.

Regent Whitburn asked why the three projects were not included in the capital budget that was approved in August, and Ms. Roe explained that when that budget was completed, there were five additional projects that required further study. One project needed student referendum approval, and other projects needed additional due diligence to adequately prepare them for inclusion in the capital budget. The Division of Facilities Development agreed that those program revenue supported projects could be submitted for inclusion in the capital budget as late as December of this year.

Regent Whitburn stated his concern that the budgets of some of the building projects have increased so greatly in a short amount of time and about the realities of an institution’s 30-year bond obligation when enrollment is flat. He noted that he does not consider it a best practice to bring additional capital projects to the Board after the original capital budget is approved and would prefer to have established timelines and a capital budget request that is complete in its entirety when it is presented to the Board of Regents for approval. Ms. Roe acknowledged Regent Whitburn’s comments.

Regent Mueller asked how the additional projects would be included in the UW System capital budget request and Ms. Roe explained that the requests for those projects would be submitted to the Division of Facilities Development and would then be added to our original capital budget request. Regent Mueller asked for more information regarding the program revenue cash portion of the projects. Vice Chancellor for Administrative & Financial Services Steve Wildeck responded to her request concerning the UW-Extension Continuing Education/Outreach E-Learning building by saying that the institution had anticipated that project for years and during that time had saved cash to support funding for the expanded space that they now need.

Regent Vasquez asked how UW-Extension is searching for a larger facility, and Mr. Wildeck responded by saying that that Extension is developing a Request for Proposal for the project, which is a lease of space with an option to purchase. The request for enumeration is really a placeholder to provide flexibility as the search for additional space evolves.

Next, Ms. Roe briefly described details of the UW-La Crosse Fieldhouse request and then UW-La Crosse Chancellor Gow explained the development of the project and how it emerged from a
consultant’s space study of current space and future recreation space needs. He spoke about the referendum process for the project and introduced UW-La Crosse Student Body President Kaylee Otterbacher who provided greater detail about the referendum for the fieldhouse project.

Discussion continued about the student referendum process; what an appropriate level of participation would be; should there be established thresholds; should the process be the same at all institutions, etc. Regent Vasquez suggested that there should be more discussion about the entire segregated fee process.

Chancellor Gow explained that the referendum for the fieldhouse was supported by 36% of the students. Ms. Otterbacher added that the students had many opportunities to become well educated about the pros and cons of the fieldhouse referendum through informational flyers, pro and con groups running traditional campaigns about the issue, and educational campaigns that occurred through social media.

Regent Delgado asked if there were any criteria that could be used to compare the recreation facilities of all our institutions. Ms. Roe replied that the evaluation standards would be different depending on whether the institution is a research or comprehensive university, and what sort of student population and culture exists at that institution. She noted that some of our institutions have a very high need for recreation, while others do not.

Alex Roe briefly described the UW-Madison: South East Recreational Facility (SERF) Replacement project and introduced the Director of Recreational Sports John Horn who explained that UW-Madison students initiated the effort to create a master plan for the institution’s recreation facilities. He continued by saying that every year there are approximately 800,000 visits to the SERF facility and that students often wait in line as much as an hour to use the equipment. He noted that students have driven the design concepts of what they would like the recreational facility to offer and substantial gift funding was committed for this project. Student representatives discussed details of the segregated fee increase that will support this project. Regent Manydeeds stated that the turnout for the segregated fee vote was impressive.

Upon the motion of Regent Whitburn, and the second of Regent Vasquez, the Committee approved Revised Resolution I.3.c.

Revised Resolution I.3.c.

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to modify the 2015-17 Capital Budget recommendation previously submitted to the Department of Administration in September 2014, with the following three additional requests for enumeration:

- UW-Extension: Continuing Education/Outreach E-Learning Building
  $1,500,000 Program Revenue Supported Borrowing
  4,500,000 Cash
  $6,000,000 Total

- UW-La Crosse: Fieldhouse
  $20,000,000 Program Revenue Supported Borrowing
  14,200,000 Program Revenue-Cash
$34,200,000 Total Project Cost

UW-Madison: South East Recreational Facility (SERF) Replacement
$45,461,000 Program Revenue Supported Borrowing
42,080,000 Gift Funds
$87,541,000 Total Project Cost

I.3.d. **UW System: Authority to Construct All Agency Maintenance and Repair Projects**

This item requested approval of eight All Agency projects at six campuses - UW-Eau Claire, UW-La Crosse, UW-Madison, UW-Milwaukee, UW-Oshkosh, and UW-Stout with an estimated total cost of $7.3M. Ms. Roe presented a brief description of each project to the committee.

Upon the motion of Regent Vasquez, and the second of Regent Delgado, the Committee approved Resolution I.3.d.

**Resolution I.3.d.**

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to (a) change the funding source of 13H2F from $502,500 Program Revenue-Cash to Program Revenue Supported Borrowing and increase the project by $250,600 Program Revenue Supported Borrowing for a revised total project budget and funding type of $753,100 Program Revenue Supported Borrowing; and construct various maintenance and repair projects at an estimated total cost of $7,314,900 ($1,271,200 General Fund Supported Borrowing; $2,541,800 Program Revenue Supported Borrowing; $570,800 Program Revenue-Cash; and $2,931,100 Gifts).

I.3.e. **Presentation: UW-Superior: Master Plan Update**

UW-Superior Provost Faith Hensrud and Director of Facilities Management Tom Fennesssey presented an update about the UW-Superior Master Plan, which will position the campus for sustainable development for the next twenty years and beyond. Ms. Hensrud explained that the master plan was created in conjunction with the university’s strategic plan by using four guiding principles to drive decisions. Those principles include support for student success; improve facility assets; enhance the campus as a memorable place; and develop a vision and framework for sustainable campus development. Next, Ms. Hensrud explained enrollment projections and the master plan goals, which are to reinvigorate the Old Main building, expand research space, address sports and activity facility needs, optimize space, and foster a pride of place to improve recruitment and retention.

Mr. Fennesssey continued the presentation by describing the plan’s development framework for space optimization; specific boundary expansion considerations; and both short-term and long-term key capital projects.

Regent Whitburn asked for information about distance learning students and Ms. Hensrud stated that of 2,600 enrolled students, 600 students are completing a degree at a distance. She continued by saying they plan to increase the number of distance learners by converting existing programs to online versions.
I.3.f. **UW-Superior: Authority to Adjust the UW-Superior Campus Boundary**

A recently completed master plan for UW-Superior recommended boundary changes in two locations, adding a total of two parcels. The smaller parcel will be used to support circulation and parking needs which are outlined in the master plan. The larger parcel will help improve campus identity and image at the main campus entry on Bellknap Street. Ms. Roe explained that approval of this item will allow the campus to purchase the properties when they become available without having to return to the Regents for approval.

The committee discussed different scenarios of how the parcels might become available.

Upon the motion of Regent Whitburn, and the second of Regent Delgado, the Committee approved Resolution I.3.f.

**Resolution I.3.f.**

That, upon the recommendation of the UW-Superior Chancellor and the President of The University of Wisconsin System, authority be granted to expand the campus boundary to include two parcels of land, as associated with the new master plan.

I.3.g. **UW-Madison: Authority to Increase the Budget of the Elizabeth Waters Residence Hall Renovation Project**

This item requested authority to increase the project budget of the Elizabeth Waters Residence Hall Renovation project by $3,375,300 Program Revenue-Cash for a revised estimated total project cost of $13,517,000 Program Revenue-Cash. Bids for this project were opened in November 2014 and were higher than anticipated due to a much tighter bid climate. The increase to the project budget matches recent bid results for the project scope that was approved by the Board of Regents in July 2013.

Ms. Roe briefly explained the history of the request, recent changes in the bidding process, and how the terrace area had deteriorated even more during the delay of the execution of the project.

Upon the motion of Regent Vasquez, and the second of Regent Delgado, the Committee approved Resolution I.3.g.

**Resolution I.3.g.**

That, upon the recommendation of the UW-Madison Chancellor and the President of The University of Wisconsin System, authority be granted to increase the project budget of the Elizabeth Waters Residence Hall Renovation project by $3,375,300 Program Revenue-Cash for a revised estimated total project cost of $13,517,000 Program Revenue-Cash.

I.3.h. **Report of the Associate Vice President**

1. State Building Commission Actions – Associate Vice President Roe explained that there has not been a building commission meeting since last August, and that there will not be a meeting in December. She noted that there are three energy conservation projects that could be brought to a building commission meeting in January, if one is held that month,
and that those projects would be brought to the Board of Regents for approval in February.

Ms. Roe reported that UW System staff and staff at the Division of Facilities Development continue to work together on the development of the capital budget.

2. Other Updates – There were no other updates.

The meeting ended at 4:09 p.m. and the Committee moved into closed session after a short break.

I.3.i. **Closed session for purposes of considering personal histories, as permitted by s.19.85(1)(f), Wis. Stats., related to the naming of a facility at UW-Madison**

The Capital Planning and Budget Committee adjourned into closed session at 4:09 p.m. Present were Regents Manydeeds, Delgado, Evers, Mueller, Purath, Vasquez, and Whitburn. The closed session concluded at 4:20 p.m.