

MINUTES OF THE REGULAR MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Held at Gordon Dining and Event Center
770 W. Dayton Street
Madison, Wisconsin

Friday, December 5, 2014
9:00 a.m.

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-President Falbo presiding-

PRESENT: Regents José Delgado, Tony Evers, Michael Falbo, Margaret Farrow, Eve Hall, Nicolas Harsy, Tim Higgins, Edmund Manydeeds, Regina Millner, Janice Mueller, Drew Petersen, Charles Pruitt, Anicka Purath, José Vásquez, David Walsh, and Gerald Whitburn

UNABLE TO ATTEND: Regents John Behling and Mark Bradley

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APPROVAL OF THE MINUTES OF THE NOVEMBER 6, 2014 MEETING

President Falbo noted that the minutes of the November 6, 2014 meeting had been distributed. Regent Whitburn moved their approval, and after a second by Regent Petersen, the motion carried.

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REPORT OF THE PRESIDENT OF THE BOARD

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

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

Leadership and Innovation Program Guests

President Falbo called attendees' attention to special guests in the gallery, members of the UW Colleges and UW-Extension Leadership and Innovation Program. The Leadership and Innovation Program is a year-long leadership program designed for faculty, academic staff and

classified staff working in UW Colleges and UW-Extension who are nominated to the program by their peers and supervisors and selected by the leadership of both organizations.

Participants learn about many statewide programs at the UW Colleges and UW-Extension, expand their own leadership capacity through active learning sessions, and work on projects that benefit students. The program is now in its 23rd year and is facilitated by Rosemary Potter.

President Falbo said that he had the honor of meeting with the group on Wednesday, and he thoroughly enjoyed it. They were very engaged and asked some tough questions. The group was present to observe and reflect upon the Board's meeting.

Status Update – Chancellor Searches

President Falbo reported that the UW-Milwaukee chancellor search was in the homestretch. Three finalists were named in mid-November, and the Regent Special Committee and President Cross would interview candidates the following week, with a final announcement expected on December 15.

UW-Whitewater Chancellor Dick Telfer is stepping down at the end of this academic year. President Falbo said that it has been a great privilege to work with Chancellor Telfer. The System had benefitted from his wisdom and experience through the years. President Falbo said that he especially appreciated Chancellor Telfer's willingness to step in and serve as the interim UW System President earlier in the year. At a time of transition, he provided a steady hand at the helm and continued to move the UW System forward. A search for his successor would begin early in 2015, he said; the Special Regent Selection Committee would be chaired by Regent Farrow, who would be joined by Regents Millner, Mueller and Petersen.

President Falbo also thanked Vice Chancellor Petra Roter of UW-Oshkosh and Interim Chancellor Aaron Brower of UW Colleges and UW-Extension for their exemplary dedication and leadership as interim chancellors of UW-Oshkosh and UW Colleges and UW-Extension, respectively. Certificates of commendation were included in Regents' folders.

Winter Commencement Ceremonies

President Falbo commented that it was a busy time of year for campuses, as in the coming weeks about 10,000 students around the UW System were expected to graduate. A number of Regents would be taking part in the ceremonies, including President Falbo, who said that it was a privilege to be part of such a milestone date for so many people.

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REPORT OF THE PRESIDENT OF THE SYSTEM

Before presenting his report, President Cross welcomed a new soon-to-be colleague, Cathy Sandeen, the incoming chancellor of UW Colleges and UW-Extension. Her position would begin on December 15, but she was present at the meeting. Dr. Sandeen joins the UW System from the American Council on Education in Washington, D.C., where she had served since 2012 as vice president for Education Attainment and Innovation. She oversaw ACE's national agenda to increase postsecondary educational attainment in the U.S. She previously served as dean of Continuing Education UCLA Extension at the University of California Los Angeles, and vice provost and dean of University Extension and Summer Session at the University of California Santa Cruz. She holds a Ph.D. in communication from the University of Utah. She earned a master's of business administration management from UCLA and a master's in broadcast communication from San Francisco State University. President Cross welcomed Dr. Sandeen.

Thoughts on Transforming the Way the UW Does Business

President Cross recalled that at the August meeting, he shared preliminary thoughts on a new UW System vision. First and foremost, the vision is about creating a UW System that is more responsive to the needs of the state, making a UW education more affordable and accessible while maximizing the university's assets and maintaining standards of excellence.

He said that over the prior six months he and others had been taking a close look at how the UW System and UW institutions do business. A high priority has been to address the critical issue of program revenue fund balances by implementing new management standards and tools to increase the transparency of processes and planning.

President Cross commented that those efforts had been noticed by both internal and external stakeholders, including the UW's partners in the legislature. Legislators, including members of the Joint Finance Committee, had commented that they were comfortable with how the UW System addressed the fund balances issue. The System needs to continue to demonstrate its commitment to transparency and fiscally responsible management practices.

Strategic Planning

As part of efforts to better align the resources of the UW System with the needs of the state, President Cross said that he had appointed a UW System Strategic Planning Steering Committee that includes Regent Vice President Regina Millner, chancellors, provosts, vice-chancellors and UW System staff. The purpose of this committee is to establish a framework to guide the planning process. He said that he had asked Jessica Tormey, Chief of Staff, to lead and coordinate these efforts for the System.

The Steering Committee had its second meeting the week before and discussed ways to collect input, created a timeline and identified areas of focus to help guide this important undertaking. In this effort, the System would be partnering with UW-Madison's Office of Quality Improvement, which would serve as a consultant. The Office of Quality Improvement

had previously collaborated with multiple UW institutions to bring a thoughtful, critical and outside perspective to strategic planning and process improvements.

One area of strong agreement among committee members was that listening sessions would be held across the state to address major areas of interest. These listening sessions would include a broad spectrum of stakeholders from internal groups (such as faculty, staff and students) to external groups (including business leaders, community leaders and the public in general). The sessions were expected to start in February and should be completed by mid-April. This outreach is an effort that would need the support and counsel of the Board, President Cross suggested. He expressed the hope that some Regents would be able to attend some of the listening sessions.

President Cross remarked that internal operations and how the System does business could be addressed even prior to a strategic planning process; they should be under constant scrutiny, he said. He said he would focus on three main areas to find savings, without jeopardizing the System's mission: reforming business practices, refocusing academic priorities, and redesigning the approval process for facility requests and segregated fees.

Reforming Business Practices

President Cross said that a thorough analysis of back office operations systemwide had already begun. Such functions include non-instructional, typically administrative, operations such as human resources, payroll, purchasing, and facilities management. The Huron Consulting Group has already worked with several UW campuses and identified savings. Taking a systemwide approach has the potential for even greater efficiencies and savings, while also improving quality and effectiveness. Services could possibly be consolidated, regionalized, or eliminated to achieve savings.

Reorganizing the back office is one way to potentially maximize existing resources on each campus and allow those resources to be redirected to the classroom. President Cross said that he had directed Senior Vice President David Miller to initiate this effort.

President Cross referred to the establishment of an independent hotline to report waste, fraud and abuse. These types of hotlines are common in state agencies and at other higher education institutions. A UW System hotline will send a strong message to the legislature and to the public that concerns are taken seriously. President Cross said that he had asked Chief Audit Executive Lori Stortz to work with the Board of Regents Audit Committee to get the hotline underway.

He said that the process for presidential, chancellor and vice presidential positions was also being examined because feedback from national search firms indicated that highly qualified candidates were declining to participate because of the process. A review of the search process was already underway, he said.

Refocusing Academic Priorities

President Cross addressed a second area, refocusing and realigning academic priorities. He identified four key areas of focus, to be examined in partnership with faculty: (1) developing uniform workload guidelines for the non-instructional activities of faculty members, to more clearly explain the diverse range of faculty responsibilities; (2) establishing processes and policies to better manage existing programs, courses and sections with low enrollments, most of which are appropriate, to ensure that they are needed and essential; (3) establishing processes and policies to better manage the proliferation of elective courses; and (4) managing and driving down the number of required credits to graduate so that students have a better opportunity to finish in four years.

President Cross said that he had asked David Ward, Interim Senior Vice President for Academic and Student Affairs, to lead this effort, to focus and better manage these areas to reduce costs and time-to-degree for students. Provosts in the UW System have already been engaged in this process. The goal is to strengthen academic programs and to better explain to legislators and to the public all the good work UW faculty and staff accomplish, President Cross said. Faculty on each campus will be fully engaged in this process. By demonstrating that the System is managing its existing resources responsibly, the System will be in a better position to make a compelling case for increased resources and flexibilities.

Redesigning the Segregated-Fee Process

His third area of focus, President Cross said, was redesigning the development and approval process for facility requests and for segregated fees. First, regarding facilities, he said that he would be looking to develop two approaches to two different approval processes: one for capital bonding projects that require new net square footage and another for remodeling and refurbishing existing square footage. He said that he had asked Alex Roe, Associate Vice President for Capital Planning and Budget, to lead this effort.

On the issue of segregated fees, President Cross said that he was calling for an in depth analysis and review of existing segregated fees, as well as the development of a new process for approving segregated fees. He said that the intent would be to do a better job of accounting for those fees and finding ways to reduce them wherever possible. In the future existing segregated fees and requests for new fees or increases would be subject to unprecedented scrutiny. President Cross said that he was asking Frieda Harris, Associate Vice President for Budget and Planning, to lead this effort, in collaboration with several chancellors.

Referring to all three of his areas of focus, President Cross said that changes would not be easy, and faculty and staff on every campus would be involved.

UW System Task Force on Sexual Violence and Harassment

President Cross mentioned the new UW System Task Force on Sexual Violence and Harassment, which had been announced in September, to be co-chaired by Associate Vice President Vicki Washington and Senior System Legal Counsel Anne Bilder. The Task Force had met twice and would be meeting again the following week. The Task Force would focus on

policy changes, training, professional development, outreach and assessment. By the spring of 2015, the Task Force expects to circulate draft policy recommendations, as well as a proposed systemwide online employee training program. President Cross noted that this is very important work for ensuring safe and welcoming campus communities.

News from Around the UW System

President Cross next shared news from around the UW System:

UW-Green Bay Welcomes Sixth Chancellor

The month before, he said, he had the honor of participating in the investiture of Gary Miller as the sixth Chancellor of UW-Green Bay. It was heartening to see so many community leaders, campus colleagues, university friends, and members of the Board present for the festivities, including Regent President Falbo, Regent Vice President Millner, Regent Farrow and Regent Higgins.

UW-Eau Claire Student Named Rhodes Scholar

UW-Eau Claire senior Tayo Sanders is one of 32 Americans to be named Rhodes Scholars for 2015. The senior materials science major – a first-generation college student from Neenah – already has an impressive resume. He has presented his research at the American Chemical Society, studied in the nanomaterials lab at the University of Strasbourg, and is the co-captain of UW-Eau Claire’s triathlon team. With his scholarship, Tayo plans to pursue a doctorate in material sciences at Oxford University.

UW-La Crosse Biology Professor Named Professor of the Year

UW-La Crosse Biology Professor Scott Cooper was recently selected as the Wisconsin Professor of the Year by the Carnegie Foundation and the Council for Advancement and Support of Education (CASE). This makes it the third time in four years that a UW-La Crosse faculty member has been chosen for this honor.

Endowment of \$1 Million to UW-Green Bay from Herbert and Crystal Sandmire

UW-Green Bay has received a record-tying \$1 million gift from Herbert and Crystal Sandmire, to further endow the Sandmire Scholarships they established in 1987. This latest gift will provide potentially dozens of additional scholarships annually, helping more pre-med and other students prepare to meet a critical regional need. President Cross thanked the Sandmire family for their continued dedication to UWGB.

Gift of \$100 Million from John and Tashia Morgridge to UW-Madison

UW-Madison recently received its largest donation ever, with alumni Tashia and John Morgridge giving an astounding \$100 million to invest in recruiting and retaining world-class faculty at UW-Madison campus. The Morgridges’ contribution – which will also match donations for new and enhanced professorships, chairs, and distinguished chairs – is the lead gift

of the university's upcoming comprehensive campaign. President Cross expressed deep gratitude for the Morgridges' generosity and dedication to higher education.

UW-River Falls and UW-Waukesha Aided by National Science Foundation Grant for Research in Antarctica

President Cross also announced that, with the support of a five-year National Science Foundation (NSF) grant, UW-River Falls Physics Chair Jim Madsen would be part of a team headed to Antarctica's McMurdo station. The team, which also includes UW-Waukesha student Sam Gardner, will work on the detectors used to study solar storms, the occasional eruptions from the sun that send bursts of energetic particles to earth, disrupting communications and technology. The NSF funding for the neutron monitor projects specifically targets students from two-year colleges, with the aim of providing greater access to frontline research.

Record Fall Enrollment at UW-Stout

UW-Stout set a new enrollment record in fall 2014, with 9,371 Blue Devils enrolled. The campus also reported that its enrollment had grown by 14 percent over the last decade. Jackie Weissenburger, interim provost, called the increase "remarkable," particularly given the declining number of high school students.

UW-Superior Exchange Agreement with Chinese University for Transportation and Logistics Program

President Cross reported that UW-Superior signed a new agreement with Beijing Wuzi University to set up a formal exchange program for students and faculty of Transportation and Logistics, to begin in fall 2015. He noted that international students are making a big impact at UW-Superior, with a school record of 43 different countries represented in this year's student population.

UW-Stevens Point Recognized by Chevrolet for Energy Conservation

UW-Stevens Point is one of 11 American colleges chosen by Chevrolet to receive "carbon credits" to pay for energy efficiency-based carbon reductions. This comes as part of Chevrolet's voluntary initiative to reduce 8 million tons of carbon emissions. UW-Stevens Point was recognized for being in the top 15 percent of American colleges in energy conservation. The campus will receive an estimated \$30,000 to \$35,000 for its carbon credits, which will be reinvested in additional energy-savings projects.

UW-Oshkosh Recognized for ROTC Program and Services for Student Veterans

UW-Oshkosh's Reserve Officers' Training Corps (ROTC) program received a top ranking among ROTC programs in the north central United States. The 3rd Army ROTC Regional Headquarters in Chicago recognized UW-Oshkosh's program, the first time a UW System program has been awarded the distinction. The campus, which has been ranked "military friendly" by GI Jobs magazine and the Military Advanced Education journal, also recently earned a "Best for Vets" distinction by Gannett Government Media's Military Times for 2015.

UW-Milwaukee Professor Awarded National Science Foundation Grant for Water Technology

President Cross reported that UW-Milwaukee continues to build on its strength of being a premier water research institution. Junhong Chen, a professor of mechanical engineering, was recently awarded an \$800,000 grant to produce sensors that can be installed in existing water equipment to monitor the quality of water in real time. The Partnership for Innovation grant from the National Science Foundation is designed to foster collaboration between universities and industry to commercialize technology. Dr. Chen has partnered with A.O. Smith, Badger Meter and a UWM startup, NanoAffix Science, LLC, to develop the sensors. The project also offers opportunities for students to gain entrepreneurial and technology translation experience through hands-on training.

Student Spotlight

Turning to the Student Spotlight segment of his report, President Cross introduced Isabella (Izzy) Quattrucci, age 14, who has been a member of the Questars – a large urban 4-H club in Madison – for about eight years. 4-H is the youth development program of UW-Extension, where young people focus on making good decisions, developing skills for living, and practicing healthy lifestyles. 4-H youth and adult volunteers are well-known for their work to improve their individual lives and the communities where they live.

Miss Quattrucci sat at the Board table to make her remarks, beginning by explaining that she is a home-schooled high school freshman from Madison. She said she had been in 4-H for 9 or 10 years. 4-H is a youth program through the UW Extension that celebrated its 100th year anniversary in 2014.

Miss Quattrucci said that 4-H was a wonderful program that had provided her with many opportunities. For example, two summers earlier her family hosted a Japanese foreign exchange student for a month during the summer. The past two summers she went to Dane County 4-H Camp at Upham Woods, where she would be applying to be a counselor next summer. She said that 4-H had also given her the opportunity to gain confidence in public speaking. With that, Miss Quattrucci asked that everyone repeat after her, as she recited and demonstrated the 4-H pledge:

I pledge my head to clearer thinking,
my heart to greater loyalty,
my hands to larger service,
and my health to better living,
for my club, my community, my country and my world.

Miss Quattrucci received warm applause. Complimenting the Regents on their recital of the pledge, Miss Quattrucci asked if anyone had any questions. President Cross asked if she had thought about where to go for a university. She said she had not thought about it yet, but that she was interested in medical school. Asked about her other interests, she said that she is a

competitive swimmer and had also started participating in a youth program called Youth and Government (YAG).

Miss Quattrucci's mother, Joanna Donovan, the 4-H club's leader, was also present at the meeting; and President Cross asked her to stand to be acknowledged.

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

President Falbo called upon Regent Mueller to present the report of the Business and Finance Committee.

Regent Mueller reported that the committee had received a periodic report of gifts, grants and contracts received for the first quarter of fiscal year 2015. Those totaled approximately \$519 million. The committee also talked about how members can better understand the numerical data in the reports that they receive, including expenditure reports shared with the legislature and other policymakers. She stated that it was the committee's intention to have the Vice Chancellor for Research at UW-Madison provide better context for such reports at a future meeting.

The committee also reviewed and approved a request from UW-Madison for a contractual services agreement with TempoQuest, located in Omaha, Nebraska. The researchers at UW-Madison would provide meteorological research, weather research and forecasting, for this firm; the work would be performed through at least August 2016. This is expected to bring \$1 million to the institution.

Regent Mueller reported that the committee spent the most time discussing with Doug Hoerr, UW System Trust Funds' investment manager, two UW System trust funds items. The first was an annual review of the overarching policy guidance for the management of these funds. This policy statement is reviewed and affirmed each year by the Board and contains the general guidelines and policies to be followed with respect to management of the funds. The committee voted to reaffirm the investment policy statement.

There was significant discussion about proxy voting. For routine corporate governance matters, those votes are typically ceded to the individual investment managers that the university hires. For non-routine corporate governance and management issues, it is the UW System's responsibility to bring to the Board those issues involving some aspect of social responsibility. The committee agreed that it would discuss non-routine proxy voting at the next meeting, in February 2015.

The second trust funds item was a request from UW-Madison's Chazen Museum of Art to fully expend a generous bequest of almost \$500,000 from Albert and Monique Grant. The proceeds would be used for the purchase of art for an exhibit that will open next year.

Regent Mueller reported that in his report, Senior Vice President David Miller foreshadowed some of the statements that President Cross had made about important reviews and projects underway to reform business practices.

On behalf of the Business and Finance Committee, Regent Mueller moved adoption of the three resolutions that had been approved in the committee meeting. The motion was seconded by Regent Pruitt and adopted on a voice vote.

UW-Madison Contractual Agreement with TempoQuest, Inc.

Resolution 10430 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 TempoQuest, Inc.

University of Wisconsin System Trust Funds Investment Policy Statement

Resolution 10431 That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the recommended revisions to, and otherwise reaffirms its adoption of, the Investment Policy Statement for the University of Wisconsin System Trust Funds.

Request for Principal Expenditure -- UW System Trust Funds Grant Bequest

Resolution 10432 That, upon recommendation of the Director of the Chazen Museum of Art, the Chancellor of UW-Madison, and the President of the University of Wisconsin System, all of the principal from the Albert J. and Monique Grant bequest be made available for current spending.

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

President Falbo called upon Regent Manydeeds to present a report of the actions taken by the Capital Planning and Budget Committee. Regent Manydeeds reported that the committee approved the minutes of the October and November committee meetings and five resolutions.

Resolution 10433, brought by UW-Madison, requested authority to construct the Grainger Hall Collaborative Learning Classroom Project for the School of Business at an estimated cost of \$495,000 in gift funds.

Resolution 10434 sought enumeration of three additional projects in the capital budget for 2015-2017. First, the UW-Extension Continuing Education Outreach and E-Learning Building had a total project cost of \$6 million and UW System Administration was seeking enumeration of funding for the purchase of an office building to serve as the home of the UW-

Extension Division of Continuing Education Outreach and E-Learning. This division of the UW Extension partners with all 15 institutions to build on-line multi-institutional collaborative degree programs, competency based programs for the UW Flexible Option, and a broad array of credit and non-credit certificates to help students and adult learners meet their academic and potential development needs.

Second, approval was requested for the UW-La Crosse Field House, with a total project cost of \$34.2 million. This request sought enumeration of funding to construct a field house, soccer support facility and sports medicine training room. The field house would include a 200-meter, eight-lane NCAA-competition indoor track that is suitable for track meets and field events, baseball and softball practice, together with intramural sport activities, such as soccer, volleyball, basketball, floor hockey, rugby and lacrosse. It would also include a tennis court area with four NCAA-competition tennis courts to be used for a variety of recreational activities.

Third, UW-Madison's Southeast Recreational Facility (SERF) replacement project, with a total cost of \$87.5 million, would involve the demolition of the existing SERF building to construct a new four-story facility to provide recreational sports program space and a competition auditorium at the same location. The replacement building would house administrative areas of racquetball courts, fitness spaces, several multi-purpose rooms, a three-to-four lane walking/jogging track, and a nine-basketball-court gymnasium for a variety of sports. The project also would include a 50-meter competition pool and separate diving well that would meet NCAA-competition standards, to be shared with the Division of Intercollegiate Athletics.

Resolution 10435, brought by UW System Administration, requested authority to construct all-agency maintenance and repair projects with a total estimated cost of \$3.7 million at six different campuses.

Resolution 10436, brought by UW-Superior, requested authority to adjust the campus boundary to include two parcels of land, the future acquisition of which would create an opportunity to reorient parking layouts and provide a gateway to campus.

Finally, Resolution 10437, brought by UW-Madison, requested authority to increase the budget of the Elizabeth Waters Residence Hall renovation, with a project budget of \$3,375,000, to match recent bid results for that project.

Regent Manydeeds reported that the committee also heard an informative presentation from UW-Superior regarding its Master Plan update.

Finally, Regent Manydeeds said that Associate Vice President Alex Roe reported there has been no Building Commission meeting since August; but the Division of Facilities Development and UW staff continued to work together to advance the 2015-2017 budget request.

On behalf of the Capital Planning and Budget Committee, Regent Manydeeds moved adoption of the five resolutions that had been approved in the committee meeting. The motion

was seconded by Regent Vásquez. Discussion followed: Regent Farrow asked about the percentage of students who participate in campus votes related to segregated-fee-funded projects. She cited an instance at one campus where only 16 percent participated; with long-term bonding for capital projects, a small proportion of students can commit future students to higher segregated-fee payments for many years. Regent Manydeeds acknowledged that this was an issue and said that the committee had discussed it; he said he believed that UW-Madison had 34-percent student participation, which is better than in some county and state elections. Following the discussion, the motion was adopted on a voice vote.

Authority to Construct the Grainger Hall Collaborative Learning Classroom Project, UW-Madison

Resolution 10433 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.

Authority to Seek Enumeration of Two Additional 2015-17 Capital Budget Projects, UW System

Resolution 10434 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
12,977,000 Program Revenue-Cash
\$32,977,000 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

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

Resolution 10435 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).

Authority to Adjust the UW-Superior Campus Boundary, UW-Superior

Resolution 10436 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.

Authority to Increase the Budget of the Elizabeth Waters Residence Hall Renovation Project, UW-Madison

Resolution 10437 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.

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REPORT AND APPROVAL OF ACTIONS TAKEN BY THE EDUCATION COMMITTEE

President Falbo called upon Regent Whitburn, Vice Chair of the Education Committee, to present a report on the actions taken by that committee.

Committee Business

Regent Whitburn reported that the Education Committee approved: (1) a new Bachelor of Fine Arts in Game Design and Development-Art at UW-Stout; (2) revisions to Regent Policy Document 14-10, the Board's policy on nondiscrimination on the basis of disability; (3) revisions to Regent Policy Document 4-1, pertaining to recording of lectures; and (4) an addendum to the mission statement at UW Green Bay.

On behalf of the Education Committee, Regent Whitburn moved adoption of the four resolutions that had been approved in the committee meeting. The motion was seconded by Regent Petersen. Discussion followed: Regent Delgado commented that the changes to Regent Policy Document 14-10 were appropriate. However, the policy limits the ability of students to use technology in order to enhance the educational system. If students with disabilities are going to have an exception, it should be acknowledged that everyone is handicapped in some way. If there are issues that hamper the educational process, those issues should be addressed, rather than the technology. Regent Delgado suggested that this should be examined further. Following his comments, the motion was adopted on a voice vote.

Program Authorization (Implementation) B.F.A. in Game Design and Development-Art, UW-Stout

Resolution 10438 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 B.F.A. in Game Design and Development-Art at the University of Wisconsin-Stout.

Revision to Regent Policy Document (RPD) 14-10, “Nondiscrimination on the Basis of Disability”

Resolution 10439 That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the attached revisions to RPD 14-10, “Nondiscrimination on the Basis of Disability.”

Revision to Regent Policy Document (RPD) 4-1, “Recording of Lectures”

Resolution 10440 That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the attached revisions to RPD 4-1, “Recording of Lectures.”

Addendum to the Mission, University of Wisconsin-Green Bay

Resolution 10441 That, upon recommendation of the Chancellor of University of Wisconsin-Green Bay and the President of the University of Wisconsin System, the Board of Regents approves the addendum to the University of Wisconsin-Green Bay mission.

Engineering Programs

Regent Whitburn continued his report, saying that more engineers are needed in Wisconsin, and UW leadership and staff had been working to examine UW System needs in the engineering program array. A study was completed, and the campuses and others had been reacting to the findings and recommendations of the study. The Education Committee heard presentations from Chancellors Meyer, Shields and Patterson concerning the perspectives of their respective campuses.

Regent Whitburn observed that the subject was timely and a high-stakes matter for the System. Because of its importance, he and President Cross asked Senior Vice President Ward to summarize the previous day's discussion for the benefit of all of the Regents.

Background

Senior Vice President Ward remarked that the committee had spent just over an hour the day before in a vigorous and productive discussion on this topic. He then set-up some parameters for the Regents to think about as he briefed them on the issue: (1) there are about 30,500 engineers employed in the state of Wisconsin, with about 46 percent of them employed in manufacturing; (2) the annual production of Bachelor of Science degrees coming out of UW schools is a little over 1,500; and the UW System produces about 80 percent of the engineering degrees in the state.

Dr. Ward said that there are excellent engineering programs at a number of UW institutions: the largest is at UW-Madison, the second largest is at UW-Platteville, the third largest is at UW-Milwaukee, followed by UW-Stout and UW-Stevens Point. There are also some private schools in the state that have engineering programs, including MSOE and Marquette.

Senior Vice President Ward explained that the current round of discussions about engineering began with the filing of an intent to plan for more engineering degrees from a number of campuses: UW-Eau Claire in materials engineering; UW-River Falls in environmental and agricultural engineering; UW-Stevens Point in chemical and environmental engineering; and UW-Stout in chemical, electrical and mechanical engineering.

Issues

Dr. Ward said that the issues at stake include the following: (1) whether there is a demand for more engineers statewide to serve the economic interests of the state and; (2) if there is, which geographical areas of the state need engineers more than other areas; (3) what kinds of engineering are in short supply; (4) whether there are students in the state with science and math backgrounds qualified to undertake studies in engineering; and (5) how to address the cost of engineering programs, which are acknowledged to be expensive because they require labs and expensive teaching talent, among other program costs.

In addition, since the merger in 1971, the UW System has faced another issue, Senior Vice President Ward said: that of program duplication and the possibility of jeopardizing existing programs.

Studies

Senior Vice President Ward said that another key question at hand was whether any move to increase the System's production of engineering graduates would increase the overall Wisconsin talent base in engineering. He explained that the System had studied this issue many times, starting in 1974, three years after the merger, followed by studies in 1988, 2001 and 2007. Though the topics of the studies varied, most of them addressed whether or not the UW System should add engineering programs.

The latest study was commissioned about a year ago. The National Center for Higher Education Management Systems (NCHEMS), a very reputable higher education consulting firm out of Denver, was asked to again study engineering. NCHEMS found a need for engineers in five areas: electrical, chemical, mechanical, industrial and civil. The report recommended any expansion of engineering programming come from existing campus programs.

Senior Vice President Ward noted that any study such as this generates contrary views in the System, observing that the university is a competitive environment and campuses do and should protect their programs. He explained that the committee heard three different points of view, from Chancellors Meyer, Shields and Patterson; it then heard from industry representatives Chris Conger of Phillips-Medsize and Steve Jahn of Momentum West.

Senior Vice President Ward said that, on the one hand, there were those who said the following: 1) the UW System does not need new programs to meet the demand, but can instead meet the demand by expanding existing programs; 2) the System needs to respect the existing programs, their base resources and their long-term goals and plans; and 3) these are expensive programs and the most cost-efficient way to meet demand is to expand the existing programs.

On the other hand, it was argued that: 1) there is an unmet regional demand for engineering talent, and it is best met by programs in the region that draw regional students who will stay in the region; 2) many of the pieces of the proposed engineering programs, including lab equipment and courses, already exist on campuses and, therefore, new programs in engineering will leverage existing resources and require marginal increases in investment; and 3) a consortia approach to offering additional engineering programs cannot be a cost-effective way to approach this.

Senior Vice President Ward explained the options that were presented to the committee regarding future System action:

1. Say “no” to both the addition of new programs and the expansion of existing programs.
2. Build on the existing array at institutions currently operating successful engineering programs.
3. Grant additional engineering program authorizations for either stand-alone programs, consortia programs, partnerships with existing programs, or some kind of step-wise growth pattern in which the Regents might authorize a few programs to test the concept regional programs.

President Cross then added that UW System Administration would develop recommendations for a collaborative solution.

Board Discussion

Regent Whitburn said that his understanding was that a proposition would be brought back to the Education Committee in February with an eye toward moving to the full Board in that meeting. He assumed that an appropriate fiscal note would be attached.

Regent Higgins observed that this was the first time since he was appointed to the Board that the Regents had the opportunity to seriously consider an educational program with this kind

of impact. He noted that the NCHEMS report did not seem to directly address the programs that UW-Platteville operates in places like the Fox Valley, in conjunction with the UW-Fox Valley campus, where in the early 2000s the UW System put together programs in electrical, mechanical and environmental engineering at the behest of employers in the region. Noting that he had been involved in that effort as a member of the Chamber of Commerce board, he said it seemed to him that this was a very good example of how the UW System could respond to its employer customers. Regent Higgins suggested that the next discussion should include information about how remote programs such as this have been successful.

Regent Delgado said that there were two assumptions which troubled him: The first assumption is that employers can attract engineers into central and northern Wisconsin, when it is already known that the region is an area of low wages. Regent Delgado said that engineers graduate with debt, and they need to go where the pay is. The second was the assumption that the K-12 system can produce students who are capable of entering a regimented program. By that, Regent Delgado meant that the math and science required to enter and perform in an engineering program is not very popular in high school.

Regent Delgado suggested that, unless the UW System gets engaged at the grammar school and high school levels to produce students prepared to enroll in engineering programs, it cannot be assumed that they will be available. He concluded by identifying two options for increasing the number of engineers: one is to work with the high schools to produce the engineering-capable person; the second is that some employers should pay more.

Referring to Regent Higgins' comments, Regent Vásquez suggested that the System should take advantage of the fact that it has a very good statewide array of two-year Colleges and consider how it can capitalize on that presence to help those individuals who do not want to move away from home.

Regent Farrow reinforced Regent Delgado's comments about the importance of early preparation for engineering education and the importance of maintaining engineering jobs in Wisconsin with adequate salaries. She recalled visiting northwestern Wisconsin as an elected official and learning that Wisconsin companies' design work and engineering work were being done out of state. She requested that at the next Board meeting time be set aside for all Regents to be present at the conversation about engineering programs because the conversation is so important. Regent Falbo agreed that it was appropriate for all Regents to be involved in the discussion.

President Cross added that in a time of very tight budgets, it is difficult to justify a significant investment in new programs. However, by leveraging the System's resources, most likely through collaborative programs, a solution could be found, he said. President Falbo remarked that in looking at re-examining systems with an eye toward cost savings, it is important to separate opportunity and necessity. He commented, "you don't save yourself into success," and said that he looked forward to the discussion at the next meeting.

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REPORT AND APPROVAL OF ACTIONS TAKEN BY THE AUDIT COMMITTEE

President Falbo called upon Regent Whitburn for a report of the Audit Committee. Regent Whitburn said that the committee met with Chief Audit Executive Lori Stortz and was briefed on the progress being made in staffing up the Internal Audit Office, as well as recently-completed internal audits. With the concurrence of President Cross, Ms. Stortz recommended putting in place a systemwide waste, fraud and abuse hotline, to be hosted by a third-party vendor.

On behalf of the Audit Committee, Regent Whitburn moved adoption of Resolution 10442, which had been approved in the committee meeting. The motion was seconded by Regent Farrow and adopted on a voice vote.

Internal Audit – Waste, Fraud and Abuse Hotline

Resolution 10442 That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents endorses the Chief Audit Executive initiating a request for proposal process (RFP) to select and implement a waste, fraud and abuse hotline.

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

President Falbo called upon Regent Higgins to present a report of the actions taken by the Research Economic Development and Innovation Committee. Regent Higgins reported that Lt. Governor Rebecca Kleefisch attended the meeting and made brief remarks in support of UW System activities that help align educational pathways with economic and workforce development initiatives.

Regent Higgins reported that UW-Madison provided an update on the UW System Economic Development Incentive Grant awarded in 2014 for D2P (Discovery to Product). The presentation included both an overview of the grant and a progress report on achieving program objectives.

UW-Green Bay and UW-Oshkosh also provided an update on the UW System Economic Development Incentive Grant awarded in 2014 for the Collaborative Engineering Technology Program. The presentation included both an overview of the grant and a progress report on the partnerships and collaborations that have developed since the program was launched.

Regent Higgins said that Alyssa Johnson of the Wisconsin Economic Development Corporation (WEDC) provided an update on current initiatives and programs. She focused on WEDC's efforts to collaborate with the university and with state businesses to foster

entrepreneurial activities and business innovation and to speed the time from idea to product commercialization across the state.

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PRESENTATION: NEXT IN A SERIES OF PRESENTATIONS ON CHANCELLORS' STRATEGIC GOALS – UW-SUPERIOR CHANCELLOR RENÉE WACHTER

President Falbo introduced Chancellor Renée Wachter to update the Board on UW-Superior's strategic goals in the latest of a series of chancellor presentations. These rotating updates from chancellors began in the fall of 2012 in response to interest the Board expressed in staying more informed about individual campuses' strategic activities and goals, and their progress and challenges in meeting those goals.

Background on Vision for Planning

Chancellor Wachter said that she was pleased to be able to speak about where UW-Superior is headed. She began with the name of UW-Superior's strategic plan, "Superior Vision 20/20." She noted that the campus could have played on the "superior" notion, but instead thought the idea of "vision" was more appropriate. Vision is one of the most important senses; to not have vision is to be blind, is to operate in a world of darkness. Through vision, one can discern what is important and what is irrelevant, and adjust actions based on what is seen. Vision cannot be taken for granted, and the "20/20" part of the plan's name means that UW-Superior is seeing with clarity; its strategy is not based on wishful thinking or from only looking internally, but is actually a sobering look at the world in which it is operating, the constituencies that it serves and what it expects to come.

Chancellor Wachter said that the University of Wisconsin-Superior has the designation of "Wisconsin's Liberal Arts University." After sharing that UW-Superior's last strategic planning session was in 2008, Chancellor Wachter asked the Regents to think back to the world of 2008 and how differently the UW System is operating today: accountability, accessibility, and the challenging fiscal environment are all realities. She explained that UW-Superior wanted to be sure that it built on its strengths, areas of promise and opportunities for a plan that will guide its future. Before even starting the plan, UW-Superior had very clear deliverables, or "clear sight requirements," such as ensuring that programs were relevant, diversifying revenue sources, and strategically increasing enrollment.

Planning Process and Four Pillars of UW-Superior's Strategic Plan

Stating that she believed images are sometimes more powerful than words, Chancellor Wachter then presented a video detailing the new "Superior Vision 20/20" strategic plan. The plan revolves around four strategic initiatives, or pillars, themed "STAR." These four areas of focus are: student experience, thriving partnerships, achieving excellence and resource management:

1. “Student experience” involves a commitment to provide students with transformative, collaborative, flexible and career-relevant learning experiences, such as providing at least two experiential learning opportunities to help them develop knowledge, skills, and experiences outside the classroom.
2. “Thriving partnerships” describes the university’s drive to deliver innovative programs that enhance the vitality of the region. A new Center for Community Engaged Learning will be created to better align academic programs and campus activities to the community; and a concerted effort will be made to develop curriculum, research, and program offerings that align with regional needs.
3. “Achieving excellence” calls for the university to be a diverse community that attracts, supports and recognizes high-achieving students and employees. Continued emphasis on enrollment is critical to the long-term success of UW-Superior. Focus will be put on enrollment management practices, such as improving relationships with key feeder institutions and streamlining the recruitment and marketing process.
4. “Resource management” involves the maintenance of an infrastructure to promote accountability, sustainability and continuous improvement, improving academic program assessment and implementing an integrated budgeting and planning process.

Following the video, Chancellor Wachter continued her remarks, saying that the strategic planning initiative, begun in the spring of 2013, included the involvement of Dr. Steve Reno, the former President of the University of New Hampshire System. Internally, the effort was led by Provost Faith Hensrud and a core planning team consisting of two faculty members, Jerry Hembd and Brett Jones, and the Dean of Faculty, Liz Blue. Chancellor Wachter explained that they did the yeoman’s work of organizing and executing the visioning process and involving the campus community in the effort.

During the process, eight research teams answered a set of challenging questions. The research teams presented the reports, the steering committee presented their conclusions, and the campus community had multiple opportunities for input throughout the process. More than 49 faculty, staff and students were involved in the research teams themselves, and data were collected from a wide variety of sources: demographic trends; enrollment trends; national data and published research; internal surveys; benchmark data from co-peers; work with regional partners such as Northern Wisconsin Educators for Regional Development, which includes CESA 12, Northland College, Indianhead Technical College, Lac Courte Oreilles Community College, North Central Technical College, UW Colleges and UW-Extension; UW-Superior’s economic development partners such as Apex and the Development Association; business community leaders; and alumni.

Included in the process was a review of the university mission. UW-Superior is revising its mission statement to add that the campus engages in the community and the region. The updated mission statement will read, “The University of Wisconsin Superior fosters intellectual growth and career preparation within a liberal arts tradition that emphasizes individual attention and embodies respect for diverse cultures and multiple voices and engages the community and region.”

Elaborating upon the “Superior Vision 20/20” strategic plan’s four strategic initiatives and providing numerous examples of related activities, both present and future, Chancellor Wachter first discussed the “student experience” pillar of the plan. She said that along with providing students with experiential learning opportunities, UW-Superior will also carefully examine program delivery to include integration of online course offerings, expanded evening and summer offerings, and accelerated degree options, with the goal of providing students faster completion to degree. Learning is holistic, she said. The campus is purposefully leveraging the experiences that take place outside of the classroom, coordinating student life and student organization work, linking co-curricular activities much more tightly with what happens in the classroom, and creating a model of student development with campus employment processes.

The chancellor noted that National Survey of Student Engagement (NSSE) data indicate that UW-Superior exceeds its peer schools by 10 percent, for both freshmen and seniors, in terms of the kinds of experiences that students receive, including service learning, undergraduate research and other high impact practices. UW-Superior wants to build on this distinction so that all students have these experiences.

With respect to “thriving partnerships,” Chancellor Wachter said that the university will deliver innovative programs that enhance the vitality of the region. Along with developing program offerings that align with regional needs, action will be taken to increase and further leverage partnerships with other educational institutions. Community advisory boards will be created for each academic program.

As an example of how these partnerships can be beneficial to economic development, Chancellor Wachter said that UW-Superior’s transportation and logistics students look at how to maximize snow removal for minimal cost in the City of Superior. Also, regional economic indicator forums provide decision makers with solid, up-to-date information for use in their strategic planning expansion ideas and hiring considerations. She quoted Steve Burgess, the CEO of National Bank of Commerce, as saying, “the greatest benefit is that by receiving new information every six months, companies will be able to more confidently consider new opportunities while tracking this region’s progress compared to other regions in the country.” She noted that this was a benefit for both UW-Superior students and for the community at large.

“Achieving excellence,” the third pillar of the plan, calls for the university to be a diverse community that attracts, supports and recognizes high-achieving students and employees. As part of a continued emphasis on enrollment, efforts will be undertaken to expand international and online student populations, which will add to the diversity of the student body. Chancellor Wachter observed that UW-Superior is a very access-oriented campus: 34 percent of students are Pell Grant recipients, 90 percent receive some form of financial aid, 47 percent are first-generation college students, 6 percent are veterans, and 35 percent are nontraditional students.

To help students succeed, UW-Superior is changing its advising model. In the fall it will be piloting a model which is much more intrusive but that also recognizes that students are more than just their academics. Students come to UW-Superior with a variety of needs having to do with academic, social, and financial issues, as well as issues related to support services, such as counseling.

Recognizing the accomplishments of faculty and staff is also critical to sustaining a positive campus culture, Chancellor Wachter said. It was clear, she said, that UW-Superior needs to make strides in this area. In a recent survey, UW-Superior was 29 percent behind its peers in compensation, which is not sustainable.

As part of the fourth strategic plan initiative, “resource management,” Chancellor Wachter added that one step the campus took was to look at all academic and non-academic programs on campus, to see where efficiencies and cost effectiveness could be gained, and to decide whether each program should be continued. With more decisions to make this fall, UW-Superior has already cut 15 programs with low enrollment and has 50 majors and minors that are under review; the campus is considering whether these programs can be sustained, whether they need to be rethought, or whether they need to be suspended. UW-Superior has also streamlined the curriculum, focusing on two aspects: 1) low enrolling sections, and 2) making sure electives meet the requirements of the degree program.

Finally, Chancellor Wachter said, UW-Superior has been examining operational efficiencies in the areas that support making the educational experience. She said that with the reality of fiscal constraints, the campus absolutely has to focus on the mission of the institution, which is to serve students, and to be cost effective for the taxpayers who have invested in the institution.

She noted that there may be questions about the recent request for proposals (RFP) for custodial and grounds services. She emphasized how painful the decision to issue an RFP was for the institution. It affects all of those in an already-challenging community environment. She explained that it is necessary, however, to be on firm fiscal footing to remain strong and continue to serve students and the community now and in years to come. The chancellor said that the university is also working with regional partner campuses to identify ways to achieve synergy in other operational areas

Implementation Challenges and Approaches

Chancellor Wachter said that one of the challenges that the plan addresses and that she wanted to mention specifically was the issue of enrollment. The history of enrollment at UW-Superior tends to cycle, but the institution is trying to make sure that it is always continuing on an upward trajectory, to smooth out that cyclical process.

Chancellor Wachter explained that the institution was working smarter, primarily through the use of good analytics to identify which strategies are successful and which are not. This is helping the campus identify its primary and secondary markets, make sure that office support teams are equipped with the tools necessary to succeed, and focus on partnerships.

She said a high spot for UW-Superior is its enrollment of students of color and under-represented minorities. Now the campus wants to take those best practices and leverage them throughout other areas of the institution, focusing especially on the challenge of retention.

UW-Superior is also engaging in an academic-demand analysis, which is useful from an enrollment perspective and for making smart decisions in programming. To help with this study

the campus commissioned Burning Glass, the same company that the Department of Workforce Development is looking at to engage for the labor market system it is developing.

Chancellor Wachter explained that this analysis will allow the campus to do an environmental scan of the labor market in real time, providing information on supply and demand analytics focused on regional training and educational opportunities. Then Burning Glass will give UW-Superior recommendations based on that analysis, looking at the skills and certifications necessary for success, analyzing skill gaps and looking at employment trends. They will also do a competitive analysis and market share analysis relative to UW-Superior's competitors.

Finally, UW-Superior intends to invest in faculty and staff compensation, assessment of student learning outcomes, and student success after graduation. Chancellor Wachter said that undergraduate research in particular is one area on which the campus intends to focus, building on UW-Superior's success in focusing on community engagement and being smart and strategic about new program development.

Chancellor Wachter concluded her presentation by stating that UW-Superior has crafted this plan to be clear-sighted, to be driven by data and to ensure that the institution is a thriving and "superior" community partner for now and for years to come.

Board Discussion

President Falbo thanked Chancellor Wachter for her presentation and asked if Regents had any questions for her.

Regent Pruitt asked about the impact on UW-Superior's strategic initiatives if there were to be a replay of the last two years, with relatively flat or even declining state support and an additional two-year freeze on tuition. Chancellor Wachter said that those concerns were part of the ongoing program prioritization processes. She noted that if nothing is coming in on the revenue side, then by default they would have to work on the expense side, and that going through this process would help UW-Superior have very explicit conversations about what it values. She acknowledged that it was not a very comfortable place to be.

Regent Vásquez asked the chancellor to expand on UW-Superior's focus on increasing enrollment, which suggests that there are more potential students in the region, which in turn implies that there is business growth in the region. Chancellor Wachter spoke about the conversations about these kinds of questions that regularly occur in the region and her involvement with Northwest Wisconsin Educators for Regional Development (NorthWERD).

She said that every time a business is thinking about locating, typically the university is involved in those discussions and providing the research that would help them. UW-Superior has a Small Business Development Center that works very closely with faculty to do additional engagement and outreach through the Department of Business and Economics. The campus is also involved with the Better Cities Initiative, which is attempting to turn the tide of the economy of Superior.

Regent Mueller thanked Chancellor Wachter for her presentation, and asked her to speak on the dynamic between UW-Superior and Minnesota, particularly how UW-Superior recruits students from Minnesota, because they are so close. Chancellor Wachter noted that employees live in Duluth and work in Superior and vice versa, with the two communities separated only by a bridge. UW-Superior has a vested interest in working with key business leaders in Duluth and in collaborating with other higher education institutions in the Twin Ports area. As an example she mentioned UW-Superior's participation in a fair meant to help students of all ages understand how to access college, which she described as a joint collaborative effort among local institutions.

Chancellor Wachter said there was no doubt that UW-Superior attracted students from across the border, and observed that her campus offered a completely different kind of experience from the University of Minnesota-Duluth, which is its largest competitor and has about 11,000 students. She concluded that if one community succeeds, so does the other, as Duluth and Superior have a symbiotic relationship.

Regent Petersen congratulated Chancellor Wachter for UW-Superior's outstanding enrollment of students of color. He then recalled how, when he first met the chancellor in 2010, UW-Superior had just gone through a substantial environmental issue after a flood. He asked if restoration from that incident had been completed. Chancellor Wachter replied that most of the physical work on campus had been done. She noted that the insidious part of the restoration efforts was that a lot of the damage was done below the ground, such as where insulation fell off of pipes underground. However, she said that most of the digging was now done. She explained that there was still some negotiation related to the value of the library's collection, but for the most part the campus was back.

Noting that UW-Superior's enrollment in graduate programs had dropped over a period of ten years, Regent Petersen asked if that had resulted from a change in focus, or if it had to do with concentrating on fewer programs. Chancellor Wachter said that the decline in graduate enrollments had to do with a change in programs for educators; a credential was no longer required, so educators did not return to school. However, she said she believed the campus has room for master's programs as an essential part of helping students move through the institution; UW-Superior would have to be very selective about the programs that it chooses. When the campus has chosen to close programs, it decided to close ones that were no longer sustainable based on enrollments.

Regent Walsh indicated that he understood that identifying values would help UW-Superior make decisions down the road, but he asked how UW-Superior would make decisions if more financial hardship were to arise in the future. Chancellor Wachter cautioned that with any of this planning, one did not want to overreact. She noted that if she had been asked about UW-Superior's status at the beginning of the last biennium, she would have responded positively, thinking the campus would be in a much different place than it is now. She said that UW-Superior had considered what the next steps would be; this is part of the planning process. She said it would be painful. Asked by Regent Walsh for more specifics, were there to be another tuition freeze and no money from the state, Chancellor Wachter replied that it would be necessary to trim more programs. Regent Walsh suggested that it would be helpful if UW-Superior could plan for this and let the Regents know its decisions so that the Board could respond in support of the institution.

PRESENTATION: ANNUAL NCAA DIVISION I ATHLETICS REPORT: UW-GREEN BAY

President Falbo noted that two years earlier the Board of Regents had approved new reporting guidelines for institutions to annually provide information to the Board regarding academic, fiscal and compliance matters related to NCAA Division I intercollegiate athletics. This accountability framework allows the Board to provide proper oversight and safeguard the wellbeing and success of UW System student-athletes. It also provides an opportunity for the Regents to review the financial viability of UW athletic programs and how they contribute to the institution's academic missions. Through these routine reports the goal is to maintain good lines of communication between the institutions, the System President and the Board of Regents.

The UW System has three institutions with Division I NCAA athletic programs: UW-Madison, UW-Milwaukee and UW-Green Bay. At this meeting the Regents were to hear a presentation from the UW-Green Bay Phoenix, led by Chancellor Gary Miller and Mary Ellen Gillespie, UW-Green Bay's Director of Athletics.

Background

Chancellor Miller thanked President Falbo and said that UW-Green Bay was excited to have Mary Ellen Gillespie as its Athletic Director, noting that she is among 4 percent of Division I athletic directors in the country who are women.

The chancellor made preliminary comments on Division I athletics and UW-Green Bay, explaining that the athletics program is an important asset for the university and has long been strongly supported in Green Bay. It is a successful program, both on the academic side and on the court and in the field, he said. Continuing the Division I status of the program is important.

Chancellor Miller said that there are 380 Division I schools in the country, most of them in mid-major conferences like the Horizon League, in which UW-Green Bay plays. These institutions currently are undergoing dramatic discussions about what the future of Division I athletics looks like, with the movement of the Power Five conferences, including the Big Ten, further away, with more autonomy from the NCAA.

The outcome of that is still uncertain, Chancellor Miller said, but most of the institutions in the mid-major conferences are very optimistic about new ways of thinking about Division I athletics in this new world where the five major conferences are no longer as closely tied to the their operation.

Chancellor Miller said that athletics will continue to be an important part of UW-Green Bay's programs. It is part of the institution's key planning process, and the athletic director has a permanent seat on the University Planning and Innovation Council and is a member of the Chancellor's Cabinet. He thanked the Regents for their attention and turned the podium over to Ms. Gillespie.

Student-Athlete Success and Athletics as the Face of the Institution

Ms. Gillespie greeted the Regents and commented that when she presented to the Board the year before she had been on the job for four days. After one year as UW-Green Bay's Director of Athletics, she said that she has the best job in the world, changing lives and building leaders.

Ms. Gillespie said that the Regents had received data telling a success story about UW-Green Bay's Division I Athletics Department and its student-athletes. Explaining the philosophy of the department, she said that those in the program believe it exists to help the institution grow and to strengthen it. Calling it the "front porch," Ms. Gillespie stated that the data and the research showed that the athletics program was the most visible aspect of UW-Green Bay, garnering over 75 percent of the national and regional media attention that the institution receives.

The decisions that the department makes are made with student-athlete welfare in mind, from travel to academic support to financial decisions. At the same time, the athletics department is competitive and wants to win. Ms. Gillespie explained that statistics show that winning helps elevate an institution, but the program also wants to win the right way. She emphasized that the department will not compromise integrity, and will not allow academics or ethics to suffer in order to compete at the highest level.

Knowing that the majority of UW-Green Bay's student-athletes will not "go pro," she said that the program owes it to each and every one of them to help them learn how to be good leaders and community citizens by the time they graduate.

Ms. Gillespie pointed out that, unlike UW-Madison and UW-Milwaukee, intramural recreation also falls under the athletics umbrella at UW-Green Bay. UW-Green Bay's Kress Events Center was listed as a top-20 facility in the country last year, she said, which helps with the institution's admissions, enrollment and retention figures.

The Kress Events Center and the Athletics Department are also the largest student employers on campus. Busy students who are working on campus are staying at UW-Green Bay, which also aids retention efforts.

Ms. Gillespie reminded the Regents that the year before she said she was going to go out on a "look, listen and learn" tour. She met with the athletics program's stakeholder groups – season ticket holders, students, student-athletes, faculty, staff, cabinet members, and community leaders – and took back a lot of information and data about how she was going to move forward with the department.

Through some staff transitions – either coaches retiring or senior staff moving onto other opportunities across the country – the Athletics Department was able to take some open positions and restructure them in an effort to focus on external relations; this is generating revenue, increasing visibility and enhancing the image of the institution.

UW-Green Bay has had four Horizon League championships, four post-season appearances and four coaches of the year, but what Ms. Gillespie said she was most excited about and most proud of was the 29 consecutive semesters of a student-athlete GPA over 3.0.

She reported that the Phoenix Phun booster group has a solid development plan that is working; it is selling more and bringing in more gifts. Already in the current fiscal year the group has raised more than what it raised all of the last fiscal year.

Noting that during the last year UW-Green Bay welcomed a new chancellor, Ms. Gillespie stated that Chancellor Miller had been very vocal and visible in talking about the importance of Division I athletics in front of students, faculty, and community leaders; and people liked what they were hearing.

She observed that there were many external stakeholders and internal stakeholders in this program, including the Regents, and that these are people that will help the department do what it needs to do to change lives and build leaders.

She said that the UW-Green Bay athletics department operates under several assumptions. First is the “front-porch” assumption that the program is the most visible aspect of the institution; for example, the Kress Events Center hosted more than 950 non-athletic/non-intramural events the previous year, bringing visitors to the campus. Second is the assumption that the institution is committed to Division I athletics and to membership in the Horizon League, which has a new strategic plan that clearly wants to elevate men’s basketball because good basketball on the men’s side is good for the entire institution. Next, the institution is committed to the health and wellbeing of all students, hence the investment in intramurals and recreation.

Acknowledging that sometimes on campuses there can tension between the academic side and the athletic side, Ms. Gillespie suggested that sometimes people think the athletic program believes it is special. She told the Regents that the tagline at UW-Green Bay is, “We are not special, but we are a little bit different.” She explained that coaches are the most visible employees of the institution, and they are recruiting 365 days out of the year. Also, the program is expected to generate revenue, which makes up almost half of its operating budget. This is what makes the athletics department look different from other parts of the organization.

To stay relevant, the program needs to compete at a high level. Ms. Gillespie observed that there are statistics from the past several years about mid-major institutions that make a strong run in men’s basketball in March Madness and the results on campus in increased admissions numbers, retention, gifts to the institutions, visitors, sales of merchandise, and ticket sales. She reported that UW-Green Bay has a very good men’s and women’s basketball program, and fully expects to join the Badgers in March Madness in the upcoming year.

Challenges

Like every institution, UW-Green Bay does have some challenges, Ms. Gillespie said. The first is finances; the UW-Green Bay athletics department operates with the smallest budget in the Horizon League, and the salaries of the athletic staff are near the bottom of the league. There is also a “facilities arms race” happening across the country. Prospective student-athletes want to know where they are going to sleep, work out, and eat; where their locker room is; where they will compete; and where they will practice. Then they compare what UW-Green Bay has against its peer institutions, which helps drive their decisions.

As the Big Five conferences want more autonomy and governance in Division I, it will force the mid-majors to get together and look at what that means for them, but also what more they can do to recruit top student-athletes. Should student athletes be given full cost of attendance? Should programs cover insurance for injuries graduates sustained while they competed? Ms. Gillespie said that these are some of the big issues that institutions will face.

Ms. Gillespie reported that the Horizon League several years earlier did a compliance audit of all the member institutions, and one of the pieces of feedback that UW-Green Bay received was that it did not have enough people working in compliance and academics. She explained that they were able to both elevate somebody over academics and compliance and also created a position directly responsible for compliance and support services.

The program does still have part-time coaches, although Ms. Gillespie said that she hoped that as the department continued to raise more and sell more, it would at some point be able to elevate more part-time coaches to full-time. The department also would need an equipment manager at some point.

Referring to the challenge of declining enrollment, Ms. Gillespie said she viewed this as a huge opportunity for the institution, saying that the better UW-Green Bay does in athletics, the better its enrollment numbers will be.

Moving forward, the athletics department is part of the Chancellor's Growth Agenda. The program is staffing with a focus on the external: ticket sales, fundraising, and merchandise licensing. The program also has a leadership focus, and is talking to some donors about helping to implement a leadership program for UW-Green Bay's student-athletes. The program's academics should continue to stay at the very top of the league, Ms. Gillespie said.

She also mentioned that there is some low-hanging fruit that the department is starting to address; for example, the athletics department does not have an apparel contract. With an apparel contract, there is an opportunity to not only cut costs but also to get some promotional credit; for example, with some companies a team that has a GPA of 3.0 can sometimes receive \$2,000 in credit. She told the Regents that contracts like that could help put shoes on UW-Green Bay's cross country runners, rather than the shoes being funded out of the cross country budget, which would be a win-win. As another example, the university does not have a pouring rights contract, though UW-Green Bay is moving forward and working with the System on that.

The department will be partnering with the School of Business on a business plan for generating revenue with the Kress Events Center. Ms. Gillespie said that outside of athletic events and intramurals, there is an opportunity to have the building be busier and to generate some revenue for both departments.

Ms. Gillespie also told the Regents that the Horizon League had signed a contract with ESPN that was a more aggressive than it had been in the past, allowing the broadcast of men's basketball and women's basketball on national TV. The biggest change, which will showcase UW-Green Bay in 95 million homes, will be the airing of every Horizon League basketball game on ESPN3. Ms. Gillespie called this an opportunity to highlight the campus, including faculty research, student research, student life and activities.

Saying that she was excited about the success the UW-Green Bay Athletics Department had over the past year, she invited the Regents to follow the program on social media and to come watch their product on the courts, in the pool and on the fields.

Regent Questions

Responding to a question from Regent Higgins about where the endowment is maintained, Ms. Gillespie said that her understanding was that part of the university's endowment was located in Madison but there was also a newer endowment in Green Bay.

Regent Pruitt observed that this Board was a little different than some boards in other places, in that the Regents actually have fiduciary responsibility over a Top Five institution as well as two mid-majors, in UW-Milwaukee and UW-Green Bay. He asked what role the Regents might play as the conversation evolves about the Top Five and mid-majors, and how to protect the future of these athletic programs going forward.

Chancellor Miller encouraged the Regents to read through provided materials to familiarize themselves with what was happening at the NCAA, as it affects UW-Madison, UW-Milwaukee and UW-Green Bay in different ways. He believed that after January the Top Five conferences would have the freedom to initiate processes to give more money to athletes. The question being asked by the mid-majors is how and when they could do that themselves, and how they would afford it.

He also noted that UW-Green Bay's athletics program has a very unique public-private partnership with Prevea Health, which funds most of the program's sports medicine. There are Prevea Health employees working in the Phoenix athletics program to provide sports medicine, and in turn they benefit from the access to these sports.

Regent Hall thanked the presenters and expressed interest in how UW-Green Bay's Athletics Department had been able to achieve the 29 consecutive semesters of student-athletes' GPAs of 3.0 and above. Ms. Gillespie credited UW-Green Bay's coaches with maintaining that academic success. When they are recruiting student-athletes, their top priority is whether that student can compete in the classroom. Knowing that UW-Green Bay is not resourced with a full academic support staff, the department understands that it must recruit students who can already do the work.

Ms. Gillespie also mentioned partnerships with academic advising, faculty and staff. She emphasized that the mindset was not, "have good grades or compete," but rather, "have good grades and compete." The coaches are very diligent in making sure athletes are in class and making sure they receive biweekly updates from faculty members on assignments being completed and test scores. This is routine, and the information is tracked regularly.

With no further questions or comments, President Falbo thanked Chancellor Miller and Ms. Gillespie for their presentation.

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CLOSED SESSION

President Falbo called upon Vice President Millner to present the resolution to move into closed session. The motion was seconded by Regent Farrow and adopted on a roll call vote, with Regents Delgado, Evers, Falbo, Farrow, Hall, Harsy, Higgins, Manydeeds, Millner, Mueller, Petersen, Pruitt, Purath, Vásquez, Walsh, and Whitburn voting in the affirmative. There were no dissenting votes and no abstentions.

Closed Session Resolution

Resolution 10443 That the Board of Regents move into closed session: (1) to consider personal histories, related to the naming of a facility at UW-Madison, as permitted by s.19.85(1)(f), Wis. Stats; (2) to consider a UW-Stevens Point honorary degree nomination, as permitted by s. 19.85(1)(f), Wis. Stats.; (3) to consider a UW-Milwaukee honorary degree nomination, as permitted by s. 19.85(1)(f), Wis. Stats.; and (4) to confer with legal counsel regarding pending or potential litigation, as permitted by s. 19.85(1)(g), Wis. Stats.

The following resolution was adopted during the closed session:

Authority to Name the New Music Performance Center the “Hamel Music Center,” UW-Madison

Resolution 10444 That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to name the new Music Performance Center the “Hamel Music Center.”

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The meeting was adjourned at 11:53 a.m.

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Submitted by:

/s/ Jane S. Radue

Jane S. Radue, Executive Director and Corporate Secretary
Office of the Board of Regents
University of Wisconsin System